APPENDIX A — OPINION OF THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT DATED AND DECIDED SEPTEMBER 24, 1999 AND AMENDED FEBRUARY 25, 2000

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

August Term, 1998

(Argued: April 26, 1999 Decided: September 24, 1999)
(Amended: FEB 25 2000

Docket Nos. 97-9181, 97-9650

JONATHAN TASINI; MARY KAY BLAKELY; BARBARA GARSON; MARGOT MIFFLIN; SONIA JAFFE ROBBINS and DAVID S. WHITFORD,

Plaintiffs-Appellants,

BARBARA BELEJACK; DANIEL LAZARE; JOAN OLECK and LINDSY VAN GELDER,

Plaintiffs,

v.

THE NEW YORK TIMES COMPANY, INC.; NEWSDAY, INC.; THE TIME INCORPORATED MAGAZINE COMPANY; MEAD DATA CENTRAL CORP. and UNIVERSITY MICROFILMS INTERNATIONAL,

Defendants-Appellees.

Appendix A

THE ATLANTIC MONTHLY COMPANY,

Defendant.

Before: WINTER, *Chief Judge*, MINER, and POOLER, *Circuit Judges*.

* * *

WINTER, *Chief Judge*:

Six freelance writers appeal from a grant of summary judgment dismissing their complaint. The complaint alleged that appellees had infringed appellants' various copyrights by putting individual articles previously published in periodicals on electronic databases available to the public. On cross motions for summary judgment, the United States District Court for the Southern District of New York held that appellees' use of the articles was protected by the "privilege" afforded to publishers of "collective works" under Section 201(c) of the Copyright Act of 1976 ("Act" or "1976 Act"), 17 U.S.C. § 201(c). We reverse and remand with instructions to enter judgment for appellants.

BACKGROUND

Appellants are freelance writers (individually, "Author" and collectively, "Authors") who write articles for publication in periodicals. Their complaint alleged that certain articles were original works written for first publication by one of the appellee publishers between 1990 and 1993. None of the articles was written at a time when its Author was employed

by the particular periodical; nor was any such article written pursuant to a work-for-hire contract. The Authors registered a copyright in each of the articles.

The appellee newspaper and magazine publishers (collectively, "Publishers") are periodical publishers who regularly create "collective works," *see* 17 U.S.C. § 101, that contain articles by free lance authors as well as works created for-hire or by employees. With respect to the free lance articles pertinent to this appeal, the Publishers' general practice was to negotiate due-dates, word counts, subject matter and price; no express transfer of rights under the Author's copyright was sought.[1] As to one article alleged in the complaint, however, authored by appellant David S. Whitford for Sports Illustrated, a publication of appellee The Time Incorporated Magazine Company ("Time"), a written contract expressly addressed republication rights. We address Whitford's claim separately below.

Appellee Mead Data Central Corp. owns and operates the NEXIS electronic database. NEXIS is a massive database

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1. Newsday contended in the district court that a legend on the checks it used to pay for freelance pieces made those checks, once endorsed, express transfers of copyright pursuant to Section 204(a) of the Act. The district court rejected this argument, relying on reasoning with which we substantially agree. *See Tasini v. New York Times Co.*, 972 F. Supp. 804, 810-811 (S.D.N.Y. 1997). In any event, Newsday does not cross-appeal.

We note also that The New York Times has since updated its policy to require freelance writers to execute an express transfer of their copyrights. *See id.* at 807 n.2.

that includes the full texts of articles appearing in literally hundreds of newspapers and periodicals spanning many years. Mead has entered into licensing agreements with each of the Publishers. Pursuant to these agreements, the Publishers provide Mead with much of the content of their periodicals, in digital form, for inclusion in NEXIS. Subscribers to NEXIS are able to access an almost infinite combination of articles from one or more publishers by using the database's advanced search engine. The articles may be retrieved individually or, for example, together with others on like topics. Such retrieval makes the article available without any material from the rest of the periodical in which it first appeared.

We briefly describe the process by which an issue of a periodical is made available to Mead for inclusion in NEXIS. First, an individual issue of the paper is stripped, electronically, into separate files representing individual articles. In the process, a substantial portion of what appears in that particular issue of the periodical is not made part of a file transmitted to Mead, including, among other things, formatting decisions, pictures, maps and tables, and obituaries. Moreover, although the individual articles are "tagged" with data indicating the section and page on which the article initially appeared, certain information relating to the initial page layout is lost, such as placement above or below the fold in the case of The New York Times. After Mead further codes the individual files, the pieces are incorporated into the NEXIS database.

Appellee University Microfilms International ("UMI") markets, *inter alia*, CD-ROM database products. Pursuant

to an agreement with The New York Times and Mead, UMI produces and markets the "NY Times OnDisc" ("NYTO") CD-ROM, which contains the full texts of articles from The New York Times. It also produces and markets a "General Periodicals OnDisc" ("GPO") CD-ROM, which contains selected New York Times articles and thousands of other articles. Pursuant to its agreement with Mead and The New York Times, UMI incorporates the files containing Times articles into its NYTO database. UMI uses a somewhat different methodology to incorporate articles from the N.Y. Times Sunday book- review and magazine sections onto its GPO CD-ROM. As to these pieces, UMI scans them directly onto "image-based" files. The image-based files are also abstracted and included on the text-based CD-ROM; the abstracts facilitate access to the image-based disk.

The gist of the Authors' claim is that the copyright each owns in his or her individual articles was infringed when the Publishers provided them to the electronic databases. Appellees do not dispute that the Authors own the copyright in their individual works. Rather, they argue that the Publishers own the copyright in the "collective works" that they produce and are afforded the privilege, under Section 201(c) of the Act, of "reproducing and distributing" the individual works in "any revision of that collective work." 17 U.S.C. § 201(c). The crux of the dispute is, therefore, whether one or more of the pertinent electronic databases may be considered a "revision" of the individual periodical issues from which the articles were taken. The district court held that making the articles available on the databases constitutes a revision of the individual periodicals and that appellees' licensing arrangements were protected under

Section 201(c). *See Tasini v. New York Times Co.*, 972 F. Supp. 804 (S.D.N.Y. 1997) ["Tasini I"]. It therefore granted appellees' motion for summary judgment. After a motion for reconsideration was denied, *see Tasini v. New York Times Co.*, 981 F. Supp. 841 (S.D.N.Y. 1997) ["Tasini II"], appellants brought this appeal.

DISCUSSION

We review *de novo* the grant or denial of summary judgment and view the evidence in the light most favorable to the non-moving party. *See Turner v. General Motors Acceptance Corp.*, 180 F.3d 451, 453-54 (2d Cir. 1999). Summary judgment is appropriate only if the pleadings and evidentiary submissions demonstrate the absence of any genuine issue of material fact and that the moving party is entitled to judgment as a matter of law. *See id.* at 453.

The unauthorized reproduction and distribution of a copyrighted work generally infringes the copyright unless such use is specifically protected by the Act. To reiterate, each Author owns the copyright in an individual work and, save for Whitford, *see infra*, has neither licensed nor otherwise transferred any rights under it to a Publisher or electronic database. These works were published with the Authors' consent, however, in particular editions of the periodicals owned by the Publishers. The Publishers then licensed much of the content of these periodicals, including the Authors' works, to one or more of the electronic database providers. As a result, the Authors' works are now available to the public on one or more electronic databases and may be retrieved individually or in combination with other pieces

originally published in different editions of the periodical or in different periodicals.

In support of their claim, the Authors advance two principal arguments: first, Section 201(c) protects only the Publishers' initial inclusion of individually copyrighted works in their collective works and does not permit the inclusion of individually copyrighted works in one or more of the electronic databases; and, second, any privilege the Publishers have under Section 201(c) is not a transferrable "right" within the meaning of Section 201(d) and hence may not be invoked by the electronic database providers. The district court rejected both arguments, reasoning that the "privilege" under Section 201(c) is a "subdivision" of a right that is transferrable under Section 201(d)(2), 972 F. Supp. at 815, and that the scope of the "privilege" was broad enough to permit the inclusion of the Authors' pieces in the various databases, *see id.* at 824-25. We hold that Section 201(c) does not permit the Publishers to license individually copyrighted works for inclusion in the electronic databases. We need not, and do not, reach the question whether this privilege is transferrable under Section 201(d).[2]

a) *The Section 201(c) Presumption (or, simply, "Section 201(c)")*

Section 201 of the Act provides, *inter alia*, that as to contributions to collective works, the "[c]opyright in each separate contribution . . . is distinct from copyright in the

2. We also do not consider the issue of assignability. Rather, we assume for purposes of this decision only, that the Publishers had the right to assign the articles in question to Mead and UMI.

collective work as a whole, and vests initially in the author of the contribution." 17 U.S.C. § 201(c). Correspondingly, Section 103, which governs copyright in compilations and derivative works, provides in pertinent part that:

> The copyright in a compilation or derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material.

17 U.S.C. § 103(b). Section 101 states that "[t]he term 'compilation' includes collective works." 17 U.S.C. § 101. It further defines "collective work" as "a work, such as a periodical issue, anthology, or encyclopedia, in which a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole." *Id.*

Publishers of collective works are not permitted to include individually copyrighted articles without receiving a license or other express transfer of rights from the author. However, Section 201(c) creates a presumptive privilege to authors of collective works. Section 201(c) creates a presumption that when the author of an article gives the publisher the author's permission to include the article in a collective work, as here, the author also gives a non-assignable, non-exclusive privilege to use the article as identified in the statute. It provides in pertinent part that:

> In the absence of an express transfer of the copyright or of any rights under it, the owner of

> copyright in the collective work is presumed to have acquired only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series.

17 U.S.C. § 201(c).

Under this statutory framework, the author of an individual contribution to a collective work owns the copyright to that contribution, absent an express agreement setting other terms. *See id.* The rights of the author of a collective work are limited to "the material contributed by the [collective-work] author" and do not include "any exclusive right in the preexisting material." 17 U.S.C. § 103(b). Moreover, the presumptive privilege granted to a collective-work author to use individually copyrighted contributions is limited to the reproduction and distribution of the individual contribution as part of: (i) "that particular [*i.e.*, the original] collective work"; (ii) "any revision of that collective work"; or (iii) "any later collective work in the same series." 17 U.S.C. § 201(c). Because it is undisputed that the electronic databases are neither the original collective work — the particular edition of the periodical — in which the Authors' articles were published nor a later collective work in the same series, appellees rely entirely on the argument that each database constitutes a "revision" of the particular collective work in which each Author's individual contribution first appeared. We reject that argument.

We begin, as we must, with the language of the statute. *See Lewis v. United States*, 445 U.S. 55, 60 (1980). The

parameters of Section 201(c) are set forth in the three clauses just noted. Under ordinary principles of statutory construction, the second clause must be read in the context of the first and third clauses. *See General Elec. Co. v. Occupational Safety & Health Review Comm'n*, 583 F.2d 61, 64-65 (2d Cir. 1978) ("the meaning of one term may be determined by reference to the terms it is associated with" citing 2A Sutherland, Statutory Construction §§ 47.16 (*Noscitur a sociis*), 47.17 (*Ejusdem generis*) (4th ed. 1973)); *see also Securities & Exch. Comm'n v. National Sec., Inc.*, 393 U.S. 453, 466 (1969) ("The meaning of particular phrases must be determined in context.") (citation omitted). The first clause sets the floor, so to speak, of the presumptive privilege: the collective-work author is permitted to reproduce and distribute individual contributions as part of "that particular collective work." In this context, "that particular collective work" means a specific edition or issue of a periodical. *See* 17 U.S.C. § 201(c). The second clause expands on this, to permit the reproduction and distribution of the individual contribution as part of a "revision" of "that collective work," *i.e.*, a revision of a particular edition of a specific periodical. Finally, the third clause sets the outer limit or ceiling on what the Publisher may do; it permits the reproduction and distribution of the individual contribution as part of a "later collective work in the same series," such as a new edition of a dictionary or encyclopedia.

The most natural reading of the "revision" of "that collective work" clause is that Section 201(c) protects only later editions of a particular issue of a periodical, such as the final edition of a newspaper. Because later editions are not identical to earlier editions, use of the individual

contributions in the later editions might not be protected under the preceding clause. Given the context provided by the surrounding clauses, this interpretation makes perfect sense. It protects the use of an individual contribution in a collective work that is somewhat altered from the original in which the copyrighted article was first published, but that is not in any ordinary sense of language a "later" work in the "same series."

In this regard, we note that the statutory definition of "collective work" lists as examples "a periodical issue, anthology, or encyclopedia." 17 U.S.C. § 101. The use of these particular kinds of collective works as examples supports our reading of the revision clause. Issues of periodicals, as noted, are often updated by revised editions, while anthologies and encyclopedias are altered every so often through the release of a new version, a "later collective work in the same series." Perhaps because the "same series" clause might be construed broadly, the House Report on the Act noted that the "revision" clause in Section 201(c) was not intended to permit the inclusion of previously published freelance contributions "in a new anthology or an entirely different magazine or other collective work," *i.e.*, in later collective works not in the same series. H.R. Rep. No. 94-1476, at 122-23 (1976), *reprinted in* 1976 U.S.C.A.A.N. 5659, 5738.

Moreover, Publishers' contention that the electronic databases are revised, digital copies of collective works cannot be squared with basic canons of statutory construction. First, if the contents of an electronic database are merely a "revision" of a particular "collective work,"

e.g., the August 16, 1999 edition of The New York Times, then the third clause of Section 201(c) — permitting the reproduction and distribution of an individually copyrighted work as part of "a later collective work in the same series" — would be superfluous. *See Regions Hosp. v. Shalala*, 522 U.S. 448, 118 S. Ct. 909, 920 (1998) (Scalia, *J.*, dissenting) ("It is a cardinal rule of statutory construction that significance and effect shall, if possible, be accorded to every word. As early as in Bacon's Abridgment, sect. 2, it was said that 'a statute ought, upon the whole, to be so construed that, if it can be prevented, no clause, sentence, or word shall be superfluous, void, or insignificant.' ") (quoting *Washington Mkt. Co. v. Hoffman*, 101 U.S. 112, 115-16 (1879)). An electronic database can contain hundreds or thousands of editions of hundreds or thousands of periodicals, including newspapers, magazines, anthologies, and encyclopedias. To view the contents of databases as revisions would eliminate any need for a privilege for "a later collective work in the same series."

Second, the permitted uses set forth in Section 201(c) are an exception to the general rule that copyright vests initially in the author of the individual contribution. Reading "revision of that collective work" as broadly as appellees suggest would cause the exception to swallow the rule. *See Commissioner v. Clark*, 489 U.S. 726, 739 (1989) (when a statute sets forth exceptions to a general rule, we generally construe the exceptions "narrowly in order to preserve the primary operation of the [provision]"). Under Publishers' theory of Section 201(c), the question of whether an electronic database infringes upon an individual author's article would essentially turn upon whether the rest of the

articles from the particular edition in which the individual article was published could also be retrieved individually. However, Section 201(c) would not permit a Publisher to sell a hard copy of an Author's article directly to the public even if the Publisher also offered for individual sale all of the other articles from the particular edition. We see nothing in the revision provision that would allow the Publishers to achieve the same goal indirectly through NEXIS.

Appellees' reading is also in considerable tension with the overall statutory framework. Section 201(c) was a key innovation of the Copyright Act of 1976. Because the Copyright Act of 1909 contemplated a single copyright, authors risked losing their rights by allowing an article to be used in a collective work. *See* 3 Melville Nimmer & David Nimmer, Nimmer on Copyright § 10.01[A] (1996 ed.) (discussing doctrine of indivisibility). To address this concern, the 1976 Act expressly permitted the transfer of less than the entire copyright, *see* 17 U.S.C. § 201(d), in effect replacing the notion of a single "copyright" with that of "exclusive rights" under a copyright. *Id.* §§ 106, 103(b). Section 201(d), which governs the transfer of copyright ownership, provides:

> (1) The ownership of a copyright may be transferred in whole or in part . . . .
>
> (2) Any of the exclusive rights comprised in a copyright, including any subdivision of any of the rights specified by section 106, may be transferred as provided by clause (1) and owned separately. The owner of any particular *exclusive right* is

> entitled, to the extent of that right, to all of the protection and remedies accorded to the copyright owner by this title.

Id. § 201(d) (emphasis added); *see also id.* § 204 (executions of transfers of copyright ownership). Similarly, Section 501, which sets forth the remedies for infringement of copyright, provides in pertinent part that "[a]nyone who violates any of the *exclusive rights* of the copyright owner . . . is an infringer." *Id.* § 501(a) (emphasis added).[3] Were the permissible uses under Section 201(c) as broad and as transferrable as appellees contend, it is not clear that the rights retained by the Authors could be considered "exclusive" in any meaningful sense.

In light of this discussion, there is no feature peculiar to the databases at issue in this appeal that would cause us to view them as "revisions." NEXIS is a database comprising thousands or millions of individually retrievable articles taken from hundreds or thousands of periodicals. It can hardly be deemed a "revision" of each edition of every periodical that it contains.

Moreover, NEXIS does almost nothing to preserve the copyrightable aspects of the Publishers' collective works, "as distinguished from the preexisting material employed in the work." 17 U.S.C. § 103(b). The aspects of a collective work that make it "an original work of authorship" are the

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3. It is worth noting that Section 201(c) grants collective works authors "only" a "privilege," rather than a "right." Each of these terms connotes specialized legal meanings, and they were juxtaposed by Congress in the same sentence of Section 201(c).

selection, coordination, and arrangement of the preexisting materials. *Id.* § 101; *see also Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 349 (1991) (discussing factual compilations).[4] However, as described above, in placing an edition of a periodical such as the August 16, 1999 New York Times, in NEXIS, some of the paper's content, and perhaps most of its arrangement are lost. Even if a NEXIS user so desired, he or she would have a hard time recapturing much of "the material contributed by the author of such [collective] work." 17 U.S.C. § 103(b). In this context, it is significant that neither the Publishers nor NEXIS evince any

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4. In arguing that NEXIS is a "revision," an analogy might perhaps be made to cases involving factual compilations and applying a "substantial similarity" test. *Tasini I*, 972 F. Supp. at 825 n.15 (analogizing to factual compilation cases). Although the "selection and arrangement" analysis of factual compilation cases is clearly relevant to this case, "substantial similarity" analysis is inapposite. In factual compilation cases, an infringement action is brought by one compilation author against another compilation author. Because neither author — indeed, no one — owns a copyright in the underlying factual material comprising each collective work, the inquiry in such cases is whether the latter compilation is "substantially similar" in selection or arrangement to the former; no claim exists as to unauthorized use of the facts. *See id.* at 821-22. Here, by contrast, the compilations are "collective works" that contain individually copyrighted material, and the infringement action is brought by the author of the individual work. Because Sections 103(b) and 201(c) make clear that the author of the individual contribution retains all rights in his or her piece, the author clearly may bring an infringement action for unauthorized republication of the work. This is so, moreover, even if the author of the collective work in which the individual contribution was published might also have an infringement action against the person who republished the contribution.

intent to compel, or even to permit, an end user to retrieve an individual work only in connection with other works from the edition in which it ran. Quite the contrary, The New York Times actually *forbids* NEXIS from producing "facsimile reproductions" of particular editions. *See Tasini I*, 972 F. Supp. at 826 n.17. What the end user can easily access, of course, are the preexisting materials that belong to the individual author under Sections 201(c) and 103(b).

The UMI databases involved in this appeal present a slightly more difficult issue than does NEXIS. One, NYTO, is distinguishable from NEXIS in that it contains articles from only one publisher; the other, GPO, is distinguishable because it includes some image-based, rather than text-based, files. Nevertheless, we also conclude that the Publishers' licensing of Authors' works to UMI for inclusion in these databases is not within the Section 201(c) revision provision.

The NYTO database operates very much like NEXIS; it contains many articles that may be retrieved according to criteria unrelated to the particular edition in which the articles first appeared. Moreover, because the files it contains are provided by Mead pursuant to an agreement between UMI, Mead, and The New York Times, no more of the Times' original selection and arrangement is evident or retained in NYTO than is retained in NEXIS. In every respect save its being limited to The New York Times, then, NYTO is essentially the same as NEXIS. That limitation, however, is not material for present purposes. The relevant inquiry under Section 201(c), is, as discussed above, whether the republication or redistribution of the copyrighted piece is as part of a collective work that constitutes a "revision" of the

previous collective work, or even a "later collective work in the same series." If the republication is a "new anthology" or a different collective work, it is not within Section 201(c). H.R. Rep. No. 94-1476, at 122-23 (1976), *reprinted in* 1976 U.S.C.A.A.N. 5659, 5738. Because NYTO is for present purposes at best a new anthology of innumerable editions of the Times, and at worst a new anthology of innumerable articles from these editions, it cannot be said to be a "revision" of any (or all) particular editions or to be a "later collective work in the same series."

For the same reason, GPO is not protected by Section 201(c). Although this database contains scanned photo-images of editions of The New York Times Sunday book review and magazine, it also contains articles from numerous other periodicals. In this respect, then, it is also substantially similar to NEXIS, and it, too, is at best a new anthology.

We emphasize that the only issue we address is whether, in the absence of a transfer of copyright or any rights thereunder, collective-work authors may re-license individual works in which they own no rights. Because there has by definition been no express transfer of rights in such cases, our decision turns entirely on the default allocation and presumption of rights provided by the Act. Publishers and authors are free to contract around the statutory framework. Indeed, both the Publishers and Mead were aware of the fact that Section 201(c) might not protect their licensing agreements, and at least one of the Publishers has already instituted a policy of expressly contracting for electronic re-licensing rights. *See* note 1, *supra*.

b) *Whitford*

As noted, Whitford entered into an express licensing agreement with Time. That agreement granted, in pertinent part, to Time:

> (a) the exclusive right first to publish the Story in the Magazine:
>
> (b) the non-exclusive right to license the republication of the Story . . . provided that the Magazine shall pay to [him] fifty percent [ ] of all net proceeds it receives for such republication: and
>
> (c) the right to republish the Story or any portions thereof in or in connection with the Magazine or in other publications published by [Time], provided that [he] shall be paid the then prevailing rates of the publication in which the Story is republished.

Time subsequently licensed Whitford's article to Mead without notifying, obtaining authorization from, or compensating, him.

In response to Whitford's infringement action, Time contended that its "first publication" rights under clause (a) permitted it to license Whitford's article to Mead. The district court rejected this argument. *See Tasini I*, 972 F. Supp. at 811-12. Nevertheless, it granted summary judgment in favor of Time on this claim. Upon appellants' motion for

reconsideration, the district court explained that because Whitford's contract appeared to grant republication rights broad enough to cover Time's agreement with Mead, his remedy under the circumstances was a breach of contract claim against Time. *See Tasini II*, 981 F. Supp. at 845. Such a contract claim would be based on the fact that Time had licensed Whitford's piece to Mead without compensating Whitford pursuant to their agreement. Whitford's failure to raise such a claim, in the court's view, undermined his infringement claim. *See id.* The court also explained that the privilege afforded collective-works authors under Section 201(c) operates as a " 'presumed' baseline." *See id.*, 981 F. Supp. at 846. Because Whitford's agreement failed to limit Time's rights to less than those otherwise afforded under Section 201(c), Time was presumed to have rights to Whitford's piece to the full extent of Section 201(c). *See id.* Having already determined that Section 201(c) protected the defendant newspapers' license agreements with Mead, the district court held that Time, too, was protected.

However, the fact that a party has licensed certain rights to its copyright to another party does not prohibit the licensor from bringing an infringement action where it believes the license is exceeded or the agreement breached. *See Schoenberg v. Shapolsky Publishers, Inc.*, 971 F.2d 926, 932 (2d Cir. 1992) ("If a breach of a condition is alleged, then the district court has subject matter jurisdiction."). Rather, where an author brings an infringement action against a purported licensee, the license may be raised as a defense. *See Bourne v. Walt Disney Co.*, 68 F.3d 621, 631 (2d Cir. 1995). Where the dispute turns on whether there is a license at all, the burden is on the alleged infringer to prove the

existence of the license. *See id.* Where the dispute is only over the scope of the license, by contrast, "the copyright owner bears the burden of proving that the defendant's copying was unauthorized." *Id.* In either case, however, an infringement claim may be brought to remedy unauthorized uses of copyrighted material. *See id.* Whitford did not, therefore, have the burden of pleading a contract claim against Time.[5]

With respect to express transfers of rights under Section 201(c), that provision provides in pertinent part that "[i]n the absence of an express transfer of the copyright or of any rights under it, the owner of copyright in the collective work is presumed to have acquired only the privilege of reproducing and distributing the contribution [in limited circumstances]." 17 U.S.C. § 201(c). Whitford contends that this provision, by its plain terms, does not apply where there is "an express transfer of copyright or of any rights under it," and that his license agreement with Time constitutes just such an express transfer. Therefore, he contends, the court erred in applying the privilege at all.

As noted, the district court rejected this argument, observing that "Section 201(c) does not provide that the

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5. Time did not raise paragraphs (b) or (c) of its license agreement with Whitford as a defense to his infringement claim. Instead, Time contended that the "first publication" rights it received in paragraph (a) covered its subsequent license to Mead and that it did not therefore have to further compensate Whitford for permitting Mead to place his piece in NEXIS. Time took this position, of course, because it did not compensate Whitford pursuant to the agreement and could not, therefore, convincingly invoke the conditional license granted in paragraphs (b) and (c) thereof.

specified privileges apply 'only' in the absence of an express transfer of rights," but rather that "in the absence of an express transfer of rights, publishers are presumed to acquire 'only' the delineated privileges." *Tasini II*, 981 F. Supp. at 845. The district court went on to hold that "the specified privileges represent a floor — *i.e.*, a minimum level of protection which, if unenhanced by express agreement, publishers are generally presumed to possess. In other words, . . . in the absence of an express transfer of 'more,' a publisher is presumed to acquire, at a minimum [ ], the delineated privileges." *Id.* at 845-46.

Under the district court's reasoning, therefore, unless Time's agreement with Whitford explicitly narrowed its "privilege" under Section 201(c), the privilege accorded by that Section would continue to exist concurrently with any other rights obtained under the agreement. Given the district court's previously expressed broad view of the Section 201(c) privilege, Time prevailed, not because the agreement authorized the licensing of Whitford's article to Mead but because the agreement did not forbid it.

The district court is mistaken. As discussed above, Section 201(c) creates only a presumption by the parties as to what an author means to convey by giving consent to inclusion of an article in a collective work. Section 201(c) does not permit a collective-work author in Time's shoes to license to Mead an individually-copyrighted work such as Whitford's article. Time's rights to license the article to Mead must, therefore, be derived from its agreement with Whitford. However, we agree with the district court that paragraph (a) of that agreement does not authorize such a license, and the

record is clear that Time cannot invoke the conditional license provided in paragraphs (b) and (c). *See* Note 4, *supra*. There being no other basis for Time to license Whitford's article to Mead, summary judgment should have been granted in favor of Whitford on his claim.

CONCLUSION

We therefore reverse and remand with instructions to enter judgment for appellants.

APPENDIX B — OPINION AND ORDER OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK DATED AND FILED AUGUST 13, 1997

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

93 Civ. 8678 (SS)

JONATHAN TASINI, MARY KAY BLAKELY, BARBARA GARSON, MARGOT MIFFLIN, SONIA JAFFE ROBBINS, and DAVID S. WHITFORD,

Plaintiffs,

– against –

THE NEW YORK TIMES CO., NEWSDAY INC., TIME INC., THE ATLANTIC MONTHLY CO., MEAD DATA CENTRAL CORP., and UNIVERSITY MICROFILMS INC.,

Defendants.

* * *

OPINION AND ORDER

In this action, the Court is called upon to determine whether publishers are entitled to place the contents of their periodicals into electronic data bases and onto CD-ROMs without first securing the permission of the freelance writers

whose contributions are included in those periodicals. According to the Complaint, filed by a group of freelance journalists, this practice infringes the copyright that each writer holds in his or her individual articles. The defendant publishers and electronic service providers respond by invoking the "revision" privilege of the "collective works" provision of the Copyright Act of 1976, 17 U.S.C. § 201(c). Defendants maintain that they have not improperly exploited plaintiffs' individual contributions, but that they have permissibly reproduced plaintiffs' articles as part of electronic revisions of the newspapers and magazines in which those articles first appeared. For the reasons to be discussed, the Court agrees with defendants, and grants summary judgment in their favor.

BACKGROUND

Plaintiffs are six freelance writers who have sold articles for publication in a variety of popular newspapers and magazines, including *The New York Times*, *Newsday*, and *Sports Illustrated*. The first two of these periodicals, published respectively by defendants The New York Times Company and Newsday, Inc., are daily newspapers widely circulated to subscribers and newsstands. *Sports Illustrated*, published by the defendant Time, Inc. ("Time"), is a weekly magazine featuring articles and commentary of particular interest to sports enthusiasts. In addition to circulating hard copy versions of their periodicals, the defendant publishers sell the contents of their publications to the remaining defendants — University Microfilms Inc. (now called UMI Company ("UMI")) and The MEAD Corporation (now called

LEXIS/NEXIS ("MEAD")) — for inclusion in assorted electronic data bases.[1]

MEAD owns and operates NEXIS, an on-line, electronic, computer assisted text retrieval system in which articles from a number of leading newspapers, newsletters, magazines, and wire services — including *The New York Times*, *Newsday*, and *Sports Illustrated* — are displayed or printed in response to search requests from subscribers. (Pl.s' Mot. Summ. J. Ex. 49 at M01464.) UMI produces and distributes two CD-ROM products identified by plaintiffs in their Amended Complaint. One of these products, "The New York Times OnDisc," operates in much the same manner as NEXIS, and is made up of the articles appearing in each issue of *The New York Times*. The remaining CD-ROM, "General Periodicals OnDisc," provides a full image-based reproduction of *The New York Times Book Review* and *Sunday Magazine*.

Plaintiffs move for summary judgment on their claims of copyright infringement contending that the electronic reproductions of their articles are improper under the Copyright Act. Defendants Time and Newsday move for summary judgment on the ground that plaintiffs entered into contracts authorizing these publishers to sell plaintiffs' articles to the electronic defendants. All of the defendants argue that, even in the absence of such agreements, dismissal of this action is warranted because the publisher defendants properly exercised their right, under the Copyright Act, to produce revised versions of their publications.

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1. Plaintiffs have settled their claims against the defendant Atlantic Monthly.

Appendix B

A. *The Parties' Relationship*

The six plaintiffs claim that defendants infringed their copyrights in a total of 21 articles sold for publication between 1990 and 1993. Twelve of these articles, written by plaintiffs Tasini, Mifflin, and Blakely, appeared in *The New York Times*. Another eight of the articles, by plaintiffs Tasini, Garson, Whitford, and Robbins, were featured in *Newsday*. The remaining article, a piece entitled "Glory Amid Grief" by plaintiff Whitford, appeared in an issue of *Sports Illustrated*. All of the plaintiffs wrote their articles on a freelance basis, and not as employees of the defendant publishers.

1. *The New York Times*

As of the time this action was commenced, freelance assignments for *The New York Times* were typically undertaken pursuant to verbal agreements reached between the newspaper and the contributing journalists. A New York Times editor and a selected freelance writer ordinarily agreed upon such matters as the topic and length of a particular piece, the deadline for submission, and the fee to be paid. (Keller Dec. Ex. B7.) These discussions seldom extended into negotiations over rights in the commissioned articles. Indeed, there were no such negotiations between The New York Times and any of the plaintiffs, all of whom submitted their articles for publication by The New York Times without any written agreements.[2] *Id.*

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2. The New York Times has recently adopted a policy pursuant to which the paper accepts articles by freelance writers only on the express written condition that the author surrender all rights in his or her creation. (Pl.s' Mot. Summ. J. Ex. 43.)

Appendix B

2. *Newsday*

Prior to this action, Newsday solicited its freelance contributions in much the same manner as did The New York Times. Freelance assignments for Newsday were most often undertaken pursuant to discussions between editors and writers and without any written agreements. (Keller Dec. Ex. B2.) However, the checks with which Newsday paid freelance writers for their contributions, including those checks sent to plaintiffs following the publication of their articles, included the following endorsement:

> Signature required. Check void if this endorsement altered. This check accepted as full payment for first-time publication rights (or all rights, if agreement is for all rights) to material described on face of check in all editions published by *Newsday* and for the right to include such material in electronic library archives.

(Pl.s' Mot. Summ. J. Ex. 47.) Plaintiff Tasini crossed out this notation prior to cashing those checks paying him for his two disputed submissions to Newsday. Those plaintiffs who wrote the remaining six *Newsday* articles cashed their checks with the notation intact.

3. *Sports Illustrated*

Only plaintiff Whitford submitted an article for publication in *Sports Illustrated*. The relationship between Time and Whitford was decidedly more formal than the arrangements routinely entered into between freelance

writers and Newsday or The New York Times. Whitford and *Sports Illustrated* entered into a written contract specifying the content and length of the purchased article, the date due, and the fee to be paid by the magazine. The contract also provided *Sports Illustrated* "the following rights":

> (a) the exclusive right first to publish the Story in the Magazine:
>
> (b) the non-exclusive right to license the republication of the Story whether in translation, digest, or abridgement form or otherwise in other publications, provided that the Magazine shall pay to you fifty percent (50%) of all net proceeds it receives for such republication: and
>
> (c) the right to republish the Story or any portions thereof in or in connection with the Magazine or in other publications published by The Time Inc. Magazine Company, its parent, subsidiaries or affiliates, provided that you shall be paid the then prevailing rates of the publication in which the Story is republished.

(Keller Dec. Ex. C7.) Plaintiff Whitford claims that he did not intend, by this language, to grant Time electronic rights in his article. (Pl.s' Mot. Summ. J. Ex. 14.)

B. *The Technological Reproductions*

Beginning in the early 1980s, the defendant publishers entered into a series of agreements pursuant to which they

sold the contents of their periodicals to the electronic defendants. NEXIS has carried the articles appearing in *Sports Illustrated* since 1982, *The New York Times* since 1983, and *Newsday* since 1988. (Keller Dec. Ex. B5 at ¶¶ 3, 4, 8.) UMI has distributed "The New York Times OnDisc" since 1992, and *The New York Times Magazine* and *Book Review* have been available on the image-based CD-ROM since 1990. (Keller Dec. Ex. B6 at ¶¶ 3, 8.)

1. NEXIS

The defendant publishers deliver or electronically transmit to NEXIS the full text of all of the articles appearing in each daily or weekly edition of their periodicals. The publishers provide NEXIS with a complete copy of computer text files which the publishers use during the process of producing the hard copy versions of their periodicals. Coded instructions as to page lay out added to these files permit typesetters working for the publishers to produce "mechanicals" — which resemble full pages as they will appear at publication — copies of which are transmitted to printing facilities for mass production. NEXIS does not use the electronic files to create "mechanicals" or to emulate the physical lay out of each periodical issue: such things as photographs, advertisements, and the column format of the newspapers are lost. NEXIS instead uses the electronic files to input the contents of each article on-line along with such information as the author's name, and the publication and page in which each article appeared. The articles appearing in *The New York Times* and *Newsday* are available within twenty-four hours after they first appear in print, and the articles from an issue of *Sports Illustrated* appear on-line within forty-five days of the initial hard copy publication.

Appendix B

Customers enter NEXIS by using a telecommunications package that enables them to access NEXIS' mainframe computers. Once on-line, customers enter "libraries" consisting of the articles from particular publications, or groups of publications. Customers can then conduct a "Boolean search" by inputting desired search terms and connectors from which the system generates a number of "hits." These "hits," the articles in the library corresponding to the selected search terms, can be reviewed either individually or within a citation list. A citation list identifies each article by the publication in which it appeared, by number of words, and by author. When a particular article is selected for full-text review, the entire content of the article appears on screen with a heading providing the same basic information reported within a citation list. Although articles are reviewed individually, it is possible for a user to input a search that will generate all of the articles — and only those articles — appearing in a particular periodical on a particular day.

2. The New York Times OnDisc

"The New York Times OnDisc," the text only CD-ROM product, is created from the same data furnished by The New York Times to NEXIS. Indeed, at the end of each month, pursuant to a three-way agreement among The New York Times, NEXIS and UMI, NEXIS provides UMI with magnetic tapes containing this information. UMI then transfers the content of these tapes to CD-ROM discs and codes the included articles to facilitate Boolean searching.

Not surprisingly, given that the two systems share data, the text-based CD-ROM operates much like NEXIS. Users

enter search terms prompting the system to access all corresponding articles. These articles are displayed with headings indicating the author, and the date and page of *The New York Times* issue in which the articles appeared. As with NEXIS, an article selected for review appears alone; there are no photographs or captions or columns of text. Moreover, a search typically retrieves articles which were published on different dates, though it is possible to conduct a search that will retrieve all of the articles making up a single issue of *The New York Times*.

3. General Periodicals OnDisc

"General Periodicals OnDisc," an image-based CD-ROM product, does not carry full issues of *The New York Times*, but only the *Sunday Magazine* and *Book Review*. It includes numerous other periodicals, as well, although none of those involved in this litigation. The image-based system differs from the other technologies presently at issue in that it is created by digital scanning. Articles are not inputted into the system individually, but the entire *Sunday Magazine* and *Book Review* are photographed producing complete images of these periodicals. Articles appear precisely as they do in print, complete with photographs, captions, and advertisements.

"General Periodicals OnDisc" does not employ Boolean searching. Image based discs are sold alongside text-based discs, which are searchable, and which provide abstracts of articles. By searching these abstracts, users can identify articles that are of interest to them. Users can then return to the image-based system in order to retrieve those articles.

Drawing upon this interplay between discs, plaintiffs propose that the image-based CD-ROMs are better characterized as part-text/part-image based CD-ROMs.

C. *The Parties' Dispute*

All of the parties recognize that the defendant publications constitute "collective works" under the terms of the Copyright Act of 1976. A collective work is one "in which a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole." 17 U.S.C. § 101. The rights which exist in such works are delineated in 17 U.S.C. § 201(c):

> Copyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole, and vests initially in the author of the contribution. In the absence of an express transfer of the copyright or of any rights under it, the owner of copyright in the collective work is presumed to have acquired only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series.

Plaintiffs maintain that the publisher defendants have exceeded their narrow "privileges" under this provision by selling plaintiffs' articles for reproduction by the electronic defendants. In particular, plaintiffs complain that the disputed technologies do not revise the publisher defendants'

collective works, but instead exploit plaintiffs' individual articles.[3]

Defendants Time and Newsday argue that they are not limited to those privileges set out at the conclusion of Section 201(c), because plaintiffs have "expressly transferred" the electronic rights in their articles. Newsday relies upon the check legends authorizing the publisher to include plaintiffs' articles "in electronic library archives." Time relies upon the "right first to publish" secured in its written contract with plaintiff Whitford. Plaintiffs insist that neither of these provisions contemplate the sort of electronic reproductions presently at issue.

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3. Plaintiffs complain that the electronic reproductions of their articles, on NEXIS and on disc, directly infringe their copyrights. They seek to hold defendants contributorily liable only to the extent that defendants have cooperated with one another in creating these allegedly infringing works. Plaintiffs do not advance the distinct claim that defendants are contributorily liable for potential copyright infringement by users of the disputed electronic services. (12/10/96 Tr. at 34 ("This is not a case in which we have accused the defendants . . . of manufacturing or distributing machines or equipment that can be used by third parties in an infringing way.").) To prevail with such a claim, which would be governed by *Sony Corp. v. Universal City Studios*, 464 U.S. 417, 442 (1984), defendants would merely have to demonstrate that the disputed technologies can be put to "substantial noninfringing uses." *See generally* Ariel B. Taitz, *Removing Road Blocks Along The Information Superhighway: Facilitating The Dissemination of New Technology By Changing The Law Of Contributory Copyright Infringement*, 64 Geo. Wash. L. Rev. 133 (1995) (proposing "non-trivial infringing use doctrine" as alternative approach to claims of contributory infringement).

Appendix B

Even without an express transfer of rights, all of the defendants maintain that the practice of electronically reproducing plaintiffs' articles is authorized under Section 201(c) of the Copyright Act. Defendants argue that the disputed technologies merely generate "revisions of [the defendant publishers'] collective work[s]," and therefore do not usurp plaintiffs' rights in their individual articles. 17 U.S.C. § 201(c). Plaintiffs counter that Section 201(c) was not intended to permit electronic revisions of collective works, and that, in any event, the technologies presently at issue are incapable of creating such revisions.

DISCUSSION

I. INTRODUCTION

Summary judgment is required when "there is no genuine issue as to any material fact and . . . the moving party is entitled to a judgment as a matter of law." Fed. R. Civ. P. 56(c). "The moving party has the initial burden of 'informing the district court of the basis for its motion' and identifying the matter 'it believes demonstrate[s] the absence of a genuine issue of material fact.' " *Leibovitz v. Paramount Pictures Corp.*, 1996 WL 733015, *3 (S.D.N.Y. Dec. 18, 1996) (quoting *Celotex Corp. v. Catrett*, 477 U.S. 317, 323 (1986)). Once the movant satisfies its initial burden, the nonmoving party must identify "specific facts showing that there is a genuine issue for trial." Fed. R. Civ. P. 56(e). In assessing the parties' competing claims, the Court must resolve any factual ambiguities in favor of the nonmovant. *See McNeil v. Aguilos*, 831 F. Supp. 1079, 1082 (S.D.N.Y. 1993). It is within this framework that the Court must finally

determine "whether the evidence presents a sufficient disagreement to require submission to a jury or whether it is so one-sided that one party must prevail as a matter of law." *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 251-52 (1986).

Where there are cross motions for summary judgment, as there are here, "the standard is the same as that for individual motions for summary judgment and the court must consider each motion independent of the other . . . . Simply because the parties have cross-moved, and therefore have implicitly agreed that no material issues of fact exist, does not mean that the court must join in that agreement and grant judgment as a matter of law for one side or the other." *Aviall, Inc. v. Ryder System, Inc.*, 913 F. Supp. 826, 828 (S.D.N.Y. 1996) (citing *Heublein, Inc. v. United States*, 996 F.2d 1455, 1461 (2d Cir. 1993)), *aff'd*, 110 F.3d 892 (2d Cir. 1997).

II. THE ALLEGED TRANSFER OF RIGHTS PURSUANT TO CONTRACT

Two of the publisher defendants, Newsday and Time, claim that plaintiffs "expressly transferred" electronic rights in their articles, and that it is therefore unnecessary to determine whether the electronic data bases produce revisions of these defendants' collective works. The Court disagrees.

A. *Newsday*

According to Section 204(a) of the 1976 Act, "[a] transfer of copyright ownership . . . is not valid unless an

instrument or conveyance, or a note or memorandum of the transfer, is in writing and signed by the owner of the rights conveyed or such owner's duly authorized agent." 17 U.S.C. § 204(a). "[A] writing memorializing the assignment of copyright interests 'doesn't have to be the Magna Carta; a one-line pro forma statement will do.' However, the terms of any writing purporting to transfer copyright interests, even a one-line pro forma statement, must be clear." *Papa's June Music, Inc. v. McLean*, 921 F. Supp. 1154, 1158-59 (S.D.N.Y. 1996) (citing *Effects Associates, Inc. v. Cohen*, 908 F.2d 555, 557 (9th Cir. 1990)).

The only writing that Newsday points to in support of the transfer of electronic rights appears on the back of the checks it issued to plaintiffs in payment for their articles. In particular, the publisher relies upon the language providing that Newsday has the "right to include [plaintiffs' articles] in electronic library archives." By the time Newsday sent plaintiffs' articles to NEXIS, however, plaintiffs had not yet received or cashed these checks. Plaintiffs therefore contend that any transfer of rights that might have been effected by the check legends occurred too late to excuse defendants' alleged infringement. *See R&R Recreation Products, Inc. v. Joan Cook Inc.*, 1992 WL 88171, *4 (S.D.N.Y. 1992) ("R&R's assignment of the cat and mouse copyright to DMV does not preclude suit by R&R for infringement occurring prior to the assignment.").

Newsday responds by arguing that a "note or memorandum" of transfer can serve to validate a prior oral agreement. *See Eden Toys, Inc. v. Florelee Undergarment Co. Inc.*, 697 F.2d 27, 36 (2d Cir. 1982) ("the 'note or

memorandum of the transfer' need not be made at the time when the license is initiated; the requirement is satisfied by the copyright owner's later execution of a writing which confirms the agreement."); *see also Imperial Residential Design Inc. v. Palms Development Group, Inc.*, 70 F.3d 96, 99 (11th Cir. 1995) ("a copyright owner's later execution of a writing which confirms an earlier oral agreement validates the transfer ab initio."). Newsday is correct as to the law, but finds no support in the facts.

Newsday concedes that there is no evidence of any prior agreements concerning electronic rights in plaintiffs' articles. (Def. Newsday's Res. Pl.s' Rule 3(g) stmt No. 25 ("DEFENDANTS' RESPONSE: Other than the check endorsement . . . there is no evidence of any express agreement, written or oral, between any of the plaintiffs and Newsday with respect to the articles at issue.").) The most Newsday claims is that the check legends confirmed "its understanding" that there had been a transfer of electronic rights in plaintiffs' articles. (Defs' Memo. Supp. Mot. Summ. J. at 14 n. 2.) This is not enough: the record reveals no basis for concluding that Newsday's purported "understanding" was shared by plaintiffs, all of whom deny that they ever intended to authorize the use of their articles on-line. Thus, Newsday cannot now rely upon its check legends to give retroactive effect to supposed unspoken agreements concerning electronic rights in plaintiffs' articles.

The check legends themselves, moreover, are ambiguous and cannot be taken to reflect an express transfer of electronic rights in plaintiffs' articles. *See Playboy Enterprises, Inc. v. Dumas*, 53 F.3d 549, 564 (2d Cir.) (finding that check legend

providing for the "assignment . . . of all right, title, and interest" was ambiguous, and did not effectively transfer copyright in certain paintings), *cert. denied*, 116 S. Ct. 567 (1995); *see also Papa's-June*, 921 F. Supp. at 1159 ("neither the royalty checks nor the attached royalty statements mention a transfer of copyright ownership."); *Museum Boutique Intercontinental, Ltd. v. Picasso*, 880 F. Supp. 153, 162 n. 11 (S.D.N.Y. 1995) ("the checks submitted by MBI, which do not contain any explanatory notations besides 'Picasso royalties,' are not convincing proof, to say the least, of the alleged oral agreement."). Plaintiffs argue persuasively that the most reasonable interpretation of "electronic library archives" does not encompass NEXIS. Plaintiffs provide affidavits from experts who opine that an archive and a commercial data base contain different types of material and serve different purposes. (Pl.s' Mot. Summ. J. Ex. 17.); *cf. American Geophysical Union v. Texaco Inc.*, 60 F.3d 913, 919, 921 (2d Cir. 1995) (photocopying of articles from scientific journal was characterized as "archival" where copies were kept in researcher's files for later reference and were not used for any "direct or immediate commercial advantage"). Plaintiffs also note, and Newsday admits, that Newsday maintains its own "electronic library archives," a computerized in-house storage system that serves no commercial purpose. (Pl.s' Mot. Summ. J. Ex. 35 at 26.) It is at least plausible — and would have been reasonable for plaintiffs to conclude — that Newsday was simply referring to such "archives" in its check legends. In any event, there is no evidence that plaintiffs understood, or should have understood, that the check legends implicated rights extending as far as NEXIS.

In short, there is no basis for holding that the Newsday check legends effected an unambiguous and timely transfer of any significant electronic rights in plaintiffs' articles.

B. *Sports Illustrated*

In support of its Motion for Summary Judgment, defendant Time invokes Section 10(a) of its contract with Whitford. Pursuant to this provision, Sports Illustrated acquired the right "first to publish" Whitford's article. Arguing that this language includes no "media-based limitation," Time contends that its "first publication" rights must be interpreted to extend to NEXIS.[4] *See Bartsch v. Metro-Goldwyn-Mayer, Inc.*, 391 F.2d 150, 154-55 (2d Cir.) (holding that the right to "exhibit" motion picture included the right to exhibit movie on television), *cert. denied*, 393 U.S. 826 (1968); *see also Bourne v. Walt Disney Co.*, 68 F.3d 621, 629 (2d Cir. 1995) ("motion picture" rights did not "unambiguously exclude" videocassette rights), *cert. denied*, 116 S. Ct. 1890 (1996); *L.C. Page & Co. v. Fox Film Corp.*, 83 F.2d 196, 199 (2d Cir. 1936) ("exclusive

4. By focusing upon Section 10(a) of its contract with Whitford, Time conspicuously avoids directly relying upon Sections 10(b) and 10(c). (Def.s' Memo. Supp. Mot. Summ. J. at 38 ("It is undisputed that Sports Illustrated acquired the right 'first to publish' Whitford's article, and that the agreement nowhere expressly delineated or limited the media in which such publication would be permissible. The issue, then, is to determine how to interpret the contract's scope in light of its silence on the issue of format.").) Each of these other provisions broadly authorizes Time to republish Whitford's story provided that the publisher compensates Whitford for the republication. Whitford also does not rely upon these provisions, and does not advance any contract claim against Time.

moving picture rights" included "talkies" as well as silent films); *Rooney v. Columbia Pictures Indus., Inc.*, 538 F. Supp. 211 (S.D.N.Y.) (exhibit "by any present or future method or means" included videocassette rights), *aff'd*, 714 F.2d 117 (2d Cir. 1982), *cert. denied*, 460 U.S. 1084 (1983).

Time's reliance upon the *Bartsch* line of authority is misplaced. *Bartsch* and its progeny stand for the proposition that when contract terms are broad enough to cover a new a technological use, "the burden of framing and negotiating an exception should fall on the grantor." *Bartsch*, 391 F.2d at 155. None of these cases, however, involved a contract (like the one before the Court) that imposed specific temporal limitations such as "first publication rights." The right to publish an article "first" cannot reasonably be stretched into a right to be the first to publish an article in any and all mediums. *Cf. Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 564 (1985) ("The right of first publication encompasses not only the choice whether to publish at all, but also the choices of when, where, *and in what form* first to publish a work.") (emphasis added). Because Whitford's article was "first" published in print, the electronic republication of that article some 45 days later simply cannot have been "first."

III. COLLECTIVE WORKS UNDER THE COPYRIGHT ACT OF 1976

Because the Court cannot find that any of the plaintiffs expressly transferred electronic rights in their articles, the numerous arguments and voluminous record in this case devolve to whether the electronic defendants produced

"revisions," authorized under Section 201(c) of the Copyright Act, of the publisher defendants' collective works. The issue is narrow, but its resolution is not simple: there is virtually no case law parsing the terms of Section 201(c), and certainly no precedent elucidating the relationship between that provision and modern electronic technologies. Further complicating matters, the Copyright Act of 1976 was crafted through a unique and lengthy process involving the input of numerous experts from assorted interest groups and industries. *See* Barbara Ringer, *First Thoughts On The Copyright Act Of 1976*, 22 N.Y.L. Sch. L. Rev. 477 (1977). As a result, the pertinent legislative history is notoriously impenetrable. *See generally* Jessica D. Litman, *Copyright Compromise, and Legislative History*, 72 Cornell L. Rev. 857 (1987).

Despite the numerous challenges, there are several considerations which allow a principled approach to analyzing Section 201(c). Most importantly, the provision cannot be understood in isolation, but must be considered alongside other sections of the Act.

A. Collective Works And Derivative Works Under Section 103(b)

"Both collective works and derivative works are based upon preexisting works that are in themselves capable of copyright." 1 M. Nimmer & D. Nimmer, Nimmer on Copyright § 3.02, at 3-8 (1996 ed.). A derivative work "transforms" one or more such preexisting works into a new creation. *See* 17 U.S.C. § 101. A collective work, on the other hand, consists of numerous original contributions

which are not altered, but which are assembled into an original collective whole. *Id.* In both instances, the copyright law accounts for the fact that the larger work — although it is entitled to copyright protection — consists of independent original contributions which are themselves protected.

The 1976 Act addresses the competing copyright interests apparent in both derivative works and collective works in Section 103(b). Pursuant to this provision:

> The copyright in a compilation or derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material. The copyright in such work is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material.[5]

17 U.S.C. § 103(b). Section 103(b) does not represent an innovation under the 1976 Act, but is intended merely to clarify a point "commonly misunderstood" under Section 7 of the 1909 Act.[6] H.R. Report No. 94-1476, at 57 (1976).

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5. Collective works are "compilations" which are composed of protected "preexisting material." *See* Section IIIB3, *infra*. Accordingly, Section 103(b) speaks directly to the copyright status of collective works. *See* Nimmer, § 3.07[A][1], at 3-34.9 n. 1.

6. Section 7 of the 1909 Act provided as follows:

> Compilations or abridgements, adaptations, arrangements, dramatizations, translations, or other versions of works

(Cont'd)

Specifically, "copyright in a 'new version' covers only the material added by the later author, and has no effect one way or the other on the copyright or public domain status of the preexisting material." *Id.*

The "misunderstanding" regarding copyright protection in "new versions" and in "preexisting materials" developed largely in connection with derivative works, and grew out of the "new property rights" approach espoused, most prominently, by Judge Friendly of the Second Circuit. *See Rohauer v. Killiam Shows, Inc.*, 551 F.2d 484 (2d Cir.) (holding that film producer retained rights in underlying story despite fact that novelist, who authorized initial use of story, died before granting producer renewal rights), *cert. denied*, 431 U.S. 949 (1977). According to this view, "once a derivative work is created pursuant to a valid license to use the underlying material, a new property right springs into existence with respect to the entire derivative work, so that even if the license is thereafter terminated, the proprietor of the derivative work may nevertheless continue to use the

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(Cont'd)

> in the public domain or of copyrighted works when produced with the consent of the proprietor of the copyright in such works, or works republished with new matter, shall be regarded as new works subject to copyright . . . but the publication of any such new works shall not effect the force or validity of any subsisting copyright upon the matter employed or any part thereof, or be construed to imply an exclusive right to such use of the original works, or to secure or extend copyright in such original works.

17 U.S.C. § 7 (1976 ed.) (repealed by Copyright Act of 1976).

material from the underlying work as contained in the derivative work." Nimmer, § 3.07[A][1], at 3-34.9. Numerous authorities on copyright law, including Professor Nimmer, assailed the reasoning in *Rohauer*, deriding the "new property rights" approach as "neither warranted by any express provision of the Copyright Act, nor by the rationale as to the scope of protection achieved in a derivative work." *Id.*

Prior to its holding in *Rohauer*, and contrary to the "new property rights" approach, the Second Circuit had upheld several claims of infringement based upon the unauthorized reuse — by the owner of a valid copyright in a derivative work — of the protected preexisting material. *See, e.g., Gilliam v. American Broadcasting Companies, Inc.*, 538 F.2d 14 (2d Cir. 1976); *G. Ricordi & Co. v. Paramount Pictures Inc.*, 189 F.2d 469 (2d Cir.) (prohibiting plaintiff, in declaratory judgment action, from making a motion picture version of an opera that had been created with the permission of the author of the underlying work), *cert. denied*, 342 U.S. 849 (1951); *see also Russell v. Price*, 612 F.2d 1123, 1128 (9th Cir. 1979) ("since exhibition of the film "Pygmallion" necessarily involves exhibition of parts of Shaw's play, which is still copyrighted, plaintiffs here may prevent defendants from renting the film for exhibition without their authorization."), *cert. denied*, 446 U.S. 952 (1980). In *Gilliam*, for instance, the Court granted an injunction in favor of plaintiffs, the members of a British comedy troop, who claimed that the BBC infringed their copyright in certain scripts. Plaintiffs had authorized the BBC to broadcast television programs based upon these scripts, but took exception when the BBC subsequently sold the programs to

the defendant, an American television network which edited the programs prior to airing them in the United States. In support of its decision to enjoin the defendant from airing those edited versions for a second time, the Second Circuit reasoned that, under Section 7 of the 1909 Act, "any ownership by BBC of the copyright in the recorded program would not affect the scope or ownership of the copyright in the underlying script." *Gilliam*, 538 F.2d at 20. The use of that script without plaintiffs' consent would therefore constitute infringement, "even with the permission of the proprietor of [a] derivative work [based upon that script]." *Id.*

Upholding a Ninth Circuit opinion which rejected *Rohauer* in favor of the Second Circuit's earlier approach in *Gilliam* the Supreme Court finally and firmly settled the "new property rights" controversy. *See Stewart v. Abend*, 495 U.S. 207 (1990). In *Abend*, the author of a fictional story agreed to assign the rights in his renewal copyright term to the owner of a movie version of that story, but died before the commencement of the renewal period. Because the assignment never occurred, the Court held that defendant infringed the copyright of the successor owner of the story by continuing to distribute the film during the renewal term of the preexisting work.

In reaching its result, the *Abend* Court rejected defendants' view, based on *Rohauer* that the "creation of the 'new,' *i.e.*, derivative, work extinguishes any right the owner of rights in the preexisting work might have had to sue for infringement . . ." *Id.* at 222. Citing Nimmer, the Court concluded that such an approach runs counter to the terms of both Section 7 of the 1909 Act and Section 103(b)

of the 1976 Act, each of which advances the same fundamental formula:

> The aspects of a derivative work added by the derivative author are that author's property, but the element drawn from the pre-existing work remains on grant from the owner of the pre-existing work. So long as the pre-existing work remains out of the public domain, its use is infringing if one who employs the work does not have a valid license or assignment for use of the preexisting work. It is irrelevant whether the preexisting work is inseparably intertwined with the derivative work.

Abend, 495 U.S. at 223-24 (citations omitted). Thus, Section 103(b) of the 1976 Act — like Section 7 of the 1909 Act before it — stands as a rejection of the new property rights theory. *Id.*; *see also* Nimmer, § 3.07, at 3-34.9 n. 3. (describing Section 103(b) as "hardly consistent with the new property right theory"). Under Section 103(b), any unauthorized use of preexisting protected material by the creator of a derivative or a collective work infringes the copyright existing in that preexisting material.

B. Defendants' "Privileges" Under Section 201(c)

The first sentence of Section 201(c) — providing that the "[c]opyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole, and vests initially in the author of the contribution" — essentially reiterates the substance of Section 103(b). If

the provision ended with its first sentence, plaintiffs would prevail in this action. With no "new property right" in the articles making up their collective works, the publisher defendants would not be at liberty to reuse plaintiffs' individual contributions even in new versions of their own periodicals. *See Abend*, 495 U.S. 207; *see also Gilliam*, 538 F.2d 14. In its second sentence, however, Section 201(c) expands upon the baseline established in Section 103(b) by extending to the creators of collective works "only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series." 17 U.S.C. § 201(c). The determinative issue here, then, is the precise scope of these "privileges."

1. Privileges As Transferrable Rights

Plaintiffs liken the "privileges" which Section 201(c) extends to "the owner of copyright in the collective work" to narrowly circumscribed nonexclusive licenses. Unlike assignments or exclusive licenses or most other conveyances under copyright law, such limited grants are not transferrable. *See* 17 U.S.C. § 101 (defining "transfer of copyright ownership"). Because the publisher defendants own the copyrights in their collective works, plaintiffs reason that the electronic defendants are guilty of infringement even in the event that they are creating revisions — authorized by the publisher defendants — of the disputed periodicals. (Pl.s' Memo. Supp. Mot. Summ. J. at 16, n. 15; Pl.s' Memo. Opp. Def.s' Cross-Mot. Summ. J. at 19-23.)

Plaintiffs arrive at their understanding of the term "privileges" by juxtaposing Section 201(c) with Section

201(d). The first clause of the latter section provides that "[t]he ownership of a copyright may be transferred in whole or in part by any means of conveyance or by operation of law . . ." 17 U.S.C. § 201(d)(1). According to Section 201(d)(2):

> Any of the exclusive rights comprised in a copyright, including any subdivision of any of the rights specified by section 106, may be transferred as provided by clause (1) and owned separately. The owner of any particular exclusive right is entitled, to the extent of that right, to all of the protection and remedies accorded to the copyright owner by this title.

In plaintiffs' view, the fact that Section 201(d)(2) provides for the transfer of "rights" can only be taken to mean that the "privileges" identified in the preceding section of the Act are nontransferable. This approach distorts the relationship between Section 201(c) and Section 201(d).

Section 201(d)(2) does not speak only of "rights," but also of any "subdivision" of rights. The potential for such a subdivision of rights is created in the preceding section, 201(d)(1), which permits the transfer of copyright, "in whole or in part," either by conveyance or by "operation of law." This recognition of the potential for a partial transfer of copyright "by operation of law" follows from the fact that exactly such a transfer is effected in the preceding Section of the Act, Section 201(c), which extends certain enumerated "privileges" to publishers. In other words, the three provisions operate in tandem: Section 201(c) transfers

plaintiffs' copyrights, "in part," to defendants — a permissible exercise under Section 201(d)(1) — and therefore, under Section 201(d)(2), defendants are left with full authority over the "subdivision" of rights they acquire.

When Sections 201(c) and 201(d) are placed into historical context, the weakness in plaintiffs' position is all the more apparent. The 1976 Act, in significant part, amounts to a repudiation of the concept of copyright indivisibility, a principle pursuant to which the assorted rights comprising a copyright could not be assigned in parts, *i.e.*, subdivided. *See* Nimmer, § 10.01[A], at 10-5. Under this former regime, individual authors were at risk of inadvertently surrendering all rights in a contribution to a collective work either to the publisher of that work, or to the public. *Id.* Under Sections 201(c) and (d) of the 1976 Act, that threat is gone. Authors are no longer at risk of losing all rights in their articles merely because they surrender a small "subdivision" of those rights — either by operation of Section 201(c) or by express transfer — to the publishers of collective works.

The aim of Section 201(c) — to avoid the "unfair[ness]" of indivisibility — would not be further served by equating "privileges" with nonexclusive licenses. H.R. Report No. 94-1476, at 122 (1976). As explained, Congress was not responding to any perceived problem associated with the ability of publishers to enlist the help of outside entities to produce versions of their collective works, but rather to the risk that publishers of collective works might usurp all rights in individual articles. It simply would not have advanced its goal for Congress to have constrained publishers in their efforts to generate and distribute their permitted revisions

and reproductions. Such an approach would not prevent the exploitation of individual contributions, but would serve only to undermine the competing goal of ensuring that collective works be marketed and distributed to the public. *See* H.R. Rep. No. 94-1476, at 122 (1976) (characterizing the Section 201(c) privileges extended to publishers an "essential counterpart" to the basic presumption favoring authors).

The term "privilege" is used in Section 201(c) to underscore that the creators of collective works have only limited rights in the individual contributions making up their collective works; the term does not indicate that the creators of collective works are limited in exercising those few rights, or "privileges," that they possess. Thus, to the extent that the electronic reproductions qualify as revisions under Section 201(c), the defendant publishers were entitled to authorize the electronic defendants to create those revisions.

2. Reproductions, Revisions, and Computer Technology

Plaintiffs advance several arguments in support of their view that the framers of Section 201(c) intended to limit the creators of collective works to revising and reproducing their works in the same medium in which those collective works initially appeared. For the reasons discussed, however, the Court finds nothing in the terminology of Section 201(c), the relevant legislative history, or the nature of revisions generally which supports such an approach.[7]

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7. Plaintiffs undermine their arguments by struggling with the copyright implications of microfilm, a high resolution film which

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Appendix B

a. Display Rights

Plaintiffs contend that the right to reproduce articles as part of a collective work, because it is unaccompanied by other key rights, necessarily precludes the use of computer technologies. Plaintiffs refer to Section 106 of the 1976 Act, which lists the five exclusive rights, *i.e.*, the "bundle" of rights, constituting a copyright. The "reproduction" privilege identified under Section 201(c), as plaintiffs note, invokes the first of these rights — the right "to reproduce the copyrighted work in copies or phonorecords." *See* 17 U.S.C. § 106(1). Section 201(c) does not, however, implicate the distinct right, under Section 106, to "display the copyrighted work publicly." *Id.* at § 106(5). In plaintiffs' view, this absence of any express grant of "display" rights is fatal to defendants' position because a work cannot be reproduced electronically unless it is "displayed" on a computer screen.

By focusing upon the "display" rights that are not granted under Section 201(c), plaintiffs fail to account fully for the "reproduction" rights that are extended to the owners of

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permits users to scroll through entire issues of periodicals. (*Compare* 10/17/96 Tr. at 41 ("I believe that I have conceded this to opposing counsel previously, that I think its possible that the right to make microfilm editions of a publication or a periodical is encompassed by the 201(c) privilege"), *with* 12/10/96 Tr. at 50 (deeming it "probably the correct interpretation of 201(c)" that "even an electronic equivalent of microfilm would be a violation").) Of course, if it is "possible" that Section 201(c) permits microfilm reproductions of collective works, it is impossible that Section 201(c) prohibits reproductions in a new medium.

copyright in collective works. Although "reproduction" is not defined separately under the Act, Section 106 reveals — predictably enough — that reproductions result in "copies." As defendants emphasize, this is a term with a broad and forward looking definition:

> 'Copies' are material objects, other than phonorecords, in which a work is fixed by *any method now known or later developed*, and from which the work can be perceived, reproduced, or otherwise communicated, either directly or *with the aid of a machine or device* . . .

17 U.S.C. § 101 (emphasis added). Thus, the right to reproduce a work, which necessarily encompasses the right to create copies of that work, presupposes that such copies might be "perceived" from a computer terminal.[8]

Plaintiffs argue that the legislative history precludes the Court from reading "display" rights into Section 201(c). As plaintiffs point out, early draft versions of Section 201(c) extended the "privilege to publish" — instead of the privilege

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8. In searching for a reason that microfilm reproductions of collective works might be permissible under Section 201(c), plaintiffs themselves suggest another approach to rejecting their display rights argument. (10/17/96 Tr. at 52 "I would agree with your Honor that they have the right under 201(c) and 109(c) to take plaintiffs' work without their permission and put it in a microfilm.") Section 109(c) permits a person lawfully in possession of a copy of a protected work "to display that copy publicly." 17 U.S.C. § 109(c). Thus, if defendants have reproduced plaintiffs' articles in accord with the conditions set under Section 201(c), they would be entitled to display those copies pursuant to Section 109(c).

to "reproduce" and "distribute" — individual contributions in subsequent versions of a collective work. (Pl.s' Memo. Opp. Def.s' Mot. Summ. J. at 22, n. 37.) " 'Publication' is the distribution of copies . . . of a work to the public." 17 U.S.C. § 101. More importantly, for plaintiffs' purposes, "publication" contemplates the public distribution of a work "for purposes of further distribution, public performance, or public *display* . . ." *Id.* (emphasis added). The absence of the term "publish" from the final version of Section 201(c), according to plaintiffs, must therefore be taken to indicate the absence of any such display rights.

The problem with plaintiffs' argument is that it rests on the unfounded assumption that the replacement of the term "publish" in Section 201(c) necessarily amounted to a rejection not only of that term, but also of the rights it connotes. There is no hint in the pertinent legislative history, however, that Congress settled upon its "reproducing and distributing" language for purpose of diminishing the publication rights initially envisioned for the creators of collective works. To the contrary, it appears that the "reproducing and distributing" language — a seeming paraphrase of the "distribution of copies" language the Act uses to define "publication" — was meant to secure precisely those rights. Indeed, the House Report explicitly equates the privilege of "reproducing and distributing" a contribution as part of a "particular collective work" with the "privilege of *republishing* the contribution under certain limited circumstances." H.R. Report No. 94-1476, at 122 (1976) (emphasis added).

In sum, both the terms of the 1976 Act, and the pertinent legislative history, reveal a design to extend display rights,

in "certain limited circumstances," to the creators of collective works. Thus, so long as defendants are operating within the scope of their privilege to "reproduce" and "distribute" plaintiffs' articles in "revised" versions of defendants' collective works, any incidental display of those individual contributions is permissible.

b. The Updated Encyclopedia

Plaintiffs' narrow reading of defendants' reproduction and revision rights is informed not only by the absence of any "display" rights under Section 201(c), but also by the examples of revisions included in the pertinent legislative history. In particular, plaintiffs rely upon the following passage of the House Report accompanying Section 201(c):

> Under the language of this clause a publishing company could reprint a contribution from one issue in a later issue of its magazine, and could reprint an article from a 1980 edition of an encyclopedia in a 1990 revision of it; the publisher could not revise the contribution itself or include it in a new anthology or an entirely different magazine or other collective work.

H.R. Report No. 94-1476, at 122-23 (1976). To plaintiffs, the modest reach of the encyclopedia example suggests a narrow scope to the term revision, one not contemplating new technologies or significant alterations of format and organization.

For several reasons, plaintiffs are mistaken to approach the encyclopedia example as the outer boundary of

permissible revision. Foremost, the language of Section 201(c) does not support the sort of media restriction that plaintiffs infer from the legislative history. *Cf. Demarest v. Manspeaker*, 498 U.S. 184, 190 (1991) ("When we find the terms of a statute unambiguous, judicial inquiry is complete except in rare and exceptional circumstances."). Indeed, Section 201(c) contains no express limitation upon the medium in which a revision can be created. To the contrary, "any revision" of a collective work is permissible, provided it is a revision of "that collective work."[9]

Plaintiffs attribute the absence of any express prohibition on electronic revisions to the fact that electronic data bases were not a part of the "Congressional consciousness" at the time that Section 201(c) was drafted. (Pl.s' Memo. Supp. Summ. J. at 41.) It is more accurate to say that Congress was aware of such technologies, but did not fully understand their implications. *See* Arthur R. Miller, *Copyright Protection For Computer Programs, Databases, And Computer Generated Works: Is Anything New Since CONTU?*, 106 Harv. L. Rev. 977, 979 (1993). Recognizing its ignorance in such matters, Congress expressly declined — as of the time it passed the 1976 Act — to settle the copyright implications of "automatic systems capable of storing, processing, retrieving, or transferring information . . ." 17 U.S.C. § 117 (repealed by Computer Software Protection Act, Pub. L. No. 96-517, § 117, 94 Stat. 3028

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9. As explained in Section III.B.3., *infra*, a collective work is defined not by the medium in which it appears, but by its original selection and organization of articles and other materials. *See Feist Publications, Inc. v. Rural Telephone Service Company, Inc.*, 499 U.S. 340 (1991).

(1980)). Congress determined that such developing computer technologies required continued investigation, and organized a study of the matter by the National Commission on New Technological Uses of Copyrighted Works (CONTU). H.R. Rep. No. 1476, 94th Cong., 2d Sess. 116 (1976). In 1980, after CONTU determined that the 1976 legislation would afford "the desired substantive legal protection for copyrighted works which exist in machine readable form," Congress repealed the original Section 117. *Id.* at 40. Plaintiffs invoke this history, particularly the initial reluctance of Congress to delve into the realm of computer technologies, as evidence that Section 201(c) was not intended to vest defendants with electronic rights in their collective works.

The legislative history that plaintiffs describe undercuts their argument more than it advances it. The fact that Congress initially saw the need to pass Section 117 is strong indication that, in the absence of such an explicit limitation, it is to be presumed that the terms of the 1976 Act encompass all variety of developing technologies. With the repeal of Section 117, this presumption is restored with respect to computers. Thus, there is no remaining reason to foreclose the possibility of an electronic "revision" of a collective work.

As defendants emphasize, the 1976 Act was plainly crafted with the goal of media neutrality in mind. *See* Register's Report on the General Revision of the U.S. Copyright Law, included in Nimmer at Volume 5, Appendix 14 at 14-8 ("technical advances have brought in new industries and new methods for the reproduction and

dissemination of the . . . works that comprise the subject matter of copyright . . . . In many respects, the [1909 Act] is uncertain, inconsistent, or inadequate in its application to present-day conditions."); *see also* Copyright Law Revision: Hearing on H.R. 4347, 5680, 6831, 6835 Before Subcommittee No. 3 of the House Committee on the Judiciary, 89th Cong., 1st Sess. 57 (1965) (testimony of George D. Cary, Deputy Register of Copyrights: "We have tried to phrase the broad rights granted in such a way that they can be adapted as time goes on to each of new advancing media."). Key terms of the Act are defined to accommodate developing technologies. *See, e.g.*, 17 U.S.C. § 101 (defining "copies" in terms of "any method now known or later developed"; defining "literary works" as works "expressed in words, numbers, or other verbal or numerical symbols or indicia, regardless of the nature of the material objects, such as books, periodicals, manuscripts, phonorecords, film, tapes, disks, or cards, in which they are embodied."). Equally telling, none of the provisions of the Act limit copyright protection to existing technologies. The unusual exception of the original Section 117 only demonstrates that Congress took steps to ensure that its media neutral approach could effectively accommodate developing technologies before ultimately determining that the terms of the 1976 Act were fully equipped for the task.

In sum, it is unwarranted simply to assume — on the basis of one example provided in the legislative history of Section 201(c) — that Congress intended for the terms "reproduction" and "revision" to announce a radical departure from the media neutrality otherwise characterizing the Copyright Act of 1976.

c. A "Plain Reading" of the Term Revision

Throughout their pleadings, plaintiffs seemingly presume that a "revision," by its plain meaning, must be nearly identical to an original. Particularly in the context of the Copyright Act of 1976, this is not so obvious. Conceived as a "revision" of the 1909 Act, the 1976 Act thoroughly changed the face of copyright law in the United States. *See* Barbara Ringer, *First Thoughts On The Copyright Act Of 1976*, 22 N.Y.L. Sch. L. Rev. 477, 479 (1977).

At a bare minimum, the Copyright Act contemplates that a "revision" can alter a preexisting work by a sufficient degree to give rise to a new original creation. *See* 17 U.S.C. § 101. Indeed, a "derivative work," which is itself an "original work of authorship," can be created by means of "editorial revisions" to a preexisting work. *Id.* Thus, even the revised encyclopedia might differ from its predecessor edition by a "substantial, and not merely trivial" degree. *See Eden Toys, Inc. v. Florelee Undergarment Co., Inc.*, 697 F.2d 27, 34 (2d Cir. 1982). If "editorial revisions" can transform a work to this extent, the broader "any revisions" language of Section 201(c) suggests the promise of even greater change.[10]

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10. The Author's Guild of America, as amicus on plaintiffs' behalf, argues that plaintiffs' narrow reading of the term "revision" follows from the dictionary definition of that term: a definition which encompasses "new" and "up-to-date" versions of a prior work. (Memo. Author's Guild at 7 citing Webster's Ninth New Collegiate Dictionary 1010 (1983).) This hardly advances plaintiffs' position. As explained, a derivative work is a "new" version of a preexisting

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Appendix B

The structure and language of Section 201(c) confirm that the parameters of a permissible revision are broader than plaintiffs suppose. Section 201(c) authorizes publishers to "reproduce" an individual contribution "as part of . . . any revision" of the collective work in which it initially appeared. By allowing only "reproductions" of individual contributions, and not revisions of those contributions, Congress plainly intended to prevent publishers from reshaping or altering the content of individual articles. With this limitation in place, Congress apparently was willing to permit publishers significant leeway, *i.e.*, the leeway to create "any revision" of their collective works.

The legislative history is consistent with this construction of Section 201(c). An early draft version of the provision permitted publishers to reproduce an individual contribution to a collective work "as part of that particular collective work and any revisions of it." Harriet Pilpel, a prominent author representative, expressed the following concern related to this language:

> I have but one question with reference to the wording, and that is with respect to the wording

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work; although such a work "borrows substantially" from the work that preceded it, a derivative work is characterized by the fact that it is sufficiently unlike that preexisting work to be termed an original creation. *See Eden Toys*, 697 F.2d at 34. Moreover, derivative works are routinely created within a different medium than the works upon which they are based. *See, e.g., Twin Peaks Productions, Inc. v. Publications International, Ltd.*, 996 F.2d 1366, 1373 (2d Cir. 1993) (classifying a book as a derivative version of the television program upon which it was based).

> at the end of subsection (c): ". . . and any revisions of it." If that means 'any revision of the collective work' in terms of changing the contributions, or their order, or including different contributions, obviously the magazine writers and photographers would not object. But there is an implication, or at least an ambiguity, that somehow the owner of the collective work has a right to make revisions in the contributions to the collective work. This is not and should not be the law, and consequently I suggest that the wording at the end of subsection (c) be changed to make that absolutely clear.

1964 Revision Bill with Discussions and Comments, 89th Cong., 1st Sess., Copyright Law Revision, Part 5, at 9 (H. Comm. Print 1965). In other words, authors were comfortable permitting publishers broad discretion in revising their collective works, provided that individual articles would remain intact. Section 201(c) was modified to accommodate these narrow concerns, and it now clarifies that a publisher is not permitted to revise an original contribution to a collective work, but is permitted to reproduce that contribution "as part of . . . any revision" of "that collective work" in which it initially appeared.

In sum, Section 201(c) does not impose any significant limitations upon publishers through the use of such terms as "privilege," "reproducing," or "any revision." A privilege is transferrable; a reproduction can occur in any medium; and "any revision" might include a major revision. The key limitation imposed upon publishers under Section 201(c) rests in the fact that publishers are permitted only to

reproduce a particular plaintiff's article "as part of" a revised version of "that collective work" in which the article originally appeared.

3. Revising "That Collective Work"

Although the "any revision" language of Section 201(c) is broad, a new work must be recognizable as a version of a preexisting collective work if it is to be fairly characterized a revision of "that collective work." 17 U.S.C. § 201(c). Considering that defendants are prohibited from changing the content of plaintiffs' individual articles, this gives rise to something which, at first blush, might seem puzzling: how can a particular collective work, one made up entirely of separate contributions, be revised without making changes to those contributions? The resolution of this question rests in the fact that collective works, even to the extent that they consist entirely of individual original contributions, possess distinguishing original characteristics of their own — *i.e.*, they are greater than the sum of their parts. It is therefore possible to revise a collective work by changing the original whole of that work without altering the content of the individual contributions to that work.[11]

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11. Many of the original contributions included in the defendant publishers' periodicals qualify as "works made for hire." 17 U.S.C. § 201(b). These pieces are written by employees of the defendant publishers, and the publishers therefore obtain full rights in those articles, including the right to alter those articles. *Id.* Because defendants do not argue that any of plaintiffs' articles qualify as works made for hire, the analysis here focuses only on those rights that the publisher defendants acquire over the articles appearing in their publications simply on the basis of the distinct copyright protection they hold in their collective works.

Appendix B

In order to identify the original characteristics of a collective work, it is useful to recognize that collective works are a form of compilation. "A compilation is a work formed by the collection and assembling of preexisting materials or of data that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship." 17 U.S.C. § 101. "Many compilations consist of nothing but raw data — *i.e.*, wholly factual information not accompanied by any original written expression." *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340, 345 (1991). Collective works are a unique form of compilation only because they are not made up of facts, but of "separate and independent works" protected as the original contributions of individual authors. 17 U.S.C. § 101.

Because it is a "bedrock principle of copyright" that no author may possess a copyright in facts, the Supreme Court has struggled to identify those aspects of factual compilations that might reflect the original contribution of the copyright holders in such works. *See Feist*, 499 U.S. 340. Ultimately, the *Feist* Court determined that "[t]he only conceivable expression is the manner in which the compiler has selected and arranged the facts." *Id.* at 349. Because the creator of a collective work, like the creator of any compilation, has no rights in the component parts of his or her work, this same formulation applies. In other words, the creators of collective works are entitled to rights in those works only to the extent that they have demonstrated creativity in selecting and arranging preexisting materials into an original collective whole. *See* H.R. Report No. 94-1476, at 122 (explaining that publishers' "exclusive rights" extent "to the elements of

compilation and editing that went into the collective work as a whole . . ."). It is this original contribution which gives a collective work its unique character, *i.e.*, which makes it identifiable as "that collective work."

Because compilations, and collective works, are characterized by the fact that they possess relatively little originality, defendants must walk a fine line in their efforts to revise their collective works. Defendants are not permitted to place plaintiffs' articles into "new anthologies" or "entirely different magazine[s] or other collective work[s]," but only into revisions of those collective works in which plaintiffs' articles first appeared. *See* H.R. Report No. 94-1476, at 122-23 (1976); *see also Quinto v. Legal Times of Washington, Inc.*, 506 F. Supp. 554 (D.D.C. 1981) (holding that law school newspaper could not authorize a separate District of Columbia newspaper to reprint an article originally published by the law school). If defendants change the original selection and arrangement of their newspapers or magazines, however, they are at risk of creating new works, works no longer recognizable as versions of the periodicals that are the source of their rights. Thus, in whatever ways they change their collective works, defendants must preserve some significant original aspect of those works — whether an original selection or an original arrangement — if they expect to satisfy the requirements of Section 201(c). Indeed, it is only if such a distinguishing original characteristic remains that the resulting creation can fairly be termed a revision of "that collective work" which preceded it.

Appendix B

C. Applying Section 201(c)

Even to the extent that they accept that an electronic revision of a collective work is a theoretical possibility, plaintiffs insist that the technologies presently at issue "deal in individual articles and not in collective works." (Pl.s' Mem. Supp. Mot. Summ. J. at 37.) For instance, searches retrieve the fill content of individual articles, and not of entire issues. The electronic defendants add coding to individual articles in order to facilitate Boolean searching. Individual articles are stored as separate "files" within the system, where they exist alongside almost countless articles from numerous other publications. Moreover, for the convenience of users, articles are supplemented to make them useful on a stand alone basis; headers appear with each article identifying the author, and the publication and page in which the article appeared. In short, plaintiffs complain that defendants not only fail to preserve their collective works, they actively dismantle those works for purposes of electronically exploiting plaintiffs' individual contributions.[12]

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12. Within this framework, plaintiffs struggle to explain their objections to "General Periodicals OnDisc," which carries photographic images of *The New York Times Sunday Magazine* and *Book Review*. Plaintiffs initially argued that these CD-ROMs do not carry full issues of *The New York Times*, but only discreet sections. The *Sunday Magazine* and *Book Review*, however, are self contained periodicals, *i.e.*, collective works, and defendants are therefore entitled to reproduce them.

At a December 10, 1996 hearing, plaintiffs turned their attention to the abstracts accompanying the image based discs, arguing that these paragraph length synopses constitute unauthorized derivative

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Appendix B

1. Aspects Of Defendants' Periodicals Preserved Electronically

In order to evaluate plaintiffs' contention that NEXIS and the disputed CD-ROMs "remove everything that constitutes the originality" of the publisher defendants' collective works, it is necessary first to identify the distinguishing original characteristics of those works. (10/17/96 Tr. at 38.) To the extent that defendants' publications reveal an original selection or arrangement of materials, the Court must then determine whether these characteristics are preserved electronically. This two step approach is closely analogous — virtually identical — to the analysis undertaken by those courts confronted with claims of copyright infringement brought by the creators of factual compilations. *See, e.g., Feist*, 499 U.S. 340; *Lipton v. Nature Co.*, 71 F.3d 464 (2d Cir. 1995); *CCC Information Services, Inc. v. MacLean Hunter Reports, Inc.*, 44 F.3d 61 (2d Cir. 1994), *cert. denied*, 116 S. Ct. 72 (1995); *Key Publications, Inc. v. Chinatown Today Publishing Enterprises, Inc.*, 945 F.2d 509 (2d Cir. 1991); *Nester's Map & Guide, Corp. v. Hagstrom Map Co.*, 796 F. Supp. 729 (E.D.N.Y. 1992).

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versions of plaintiffs' articles. Defendants responded that plaintiffs had not raised this issue in any of their earlier submissions to the Court, and that defendants therefore had not had an opportunity to address the issue in discovery or in argument. The Court has since verified that defendants were correct, and therefore — as indicated during the December hearing — the Court will not consider whether the abstracts infringe plaintiffs' copyrights in their individual articles. (12/10/96 Tr. at 53.)

Appendix B

In the compilation infringement context, courts begin by determining whether the plaintiff's compilation exhibits sufficient originality to merit protection; if there is sufficient originality in either selection or arrangement, it is necessary to determine whether these original elements have been copied into the allegedly infringing work. *Id.*; *see also Skinder-Strauss Associates v. Massachusetts Continuing Legal Education, Inc.*, 914 F. Supp. 665, 672 (D. Mass. 1995) ("If a party demonstrates that its compilation is sufficiently original to be copyrightable, he must further show copyright infringement . . . 'The plaintiff must . . . prove that the copying of copyrighted material was so extensive that it rendered the offending and copyrighted works substantially similar' as a matter of law.") (quoting *Lotus Development Corp. v. Borland Intern., Inc.*, 49 F.3d 807, 813 (1st Cir. 1995)). A finding that an allegedly infringing work copies original aspects of a protected compilation supports a finding of infringement. There is no infringement where a defendant copies only the component parts of a protected compilation.

In the circumstances of this case, the same analysis leads to opposite results. If the disputed periodicals manifest an original selection or arrangement of materials, and if that originality is preserved electronically, then the electronic reproductions can be deemed permissible revisions of the publisher defendants' collective works. If, on the other hand, the electronic defendants do not preserve the originality of the disputed publications, but merely exploit the component parts of those works, then plaintiffs' rights in those component parts have been infringed. That this Court's revision analysis mirrors the Supreme Court's compilation infringement analysis reflects a common concern permeating

both areas. Courts must ensure that the creators of factual compilations and collective works derive their rights solely from their original contributions, and that they not be permitted to usurp complete control over the component parts of their creations. *See* 17 U.S.C. § 103(b); *see also* Nimmer, 3.04[A], at 3-20-21 ("only that which is original with the copyright proprietor or his assignor may be protected by his copyright.").

In *Feist*, a telephone utility company claimed that the defendant publishers infringed its copyright in a local "white pages" by incorporating the phone numbers and addresses listed in that directory into a larger phone book covering a broader geographic region. Recognizing that the creator of a phone book cannot have any exclusive rights in the facts set forth in such a volume, the Court considered whether plaintiff had made any significant original contribution in creating its white pages. Though venturing that "the vast majority of compilations" would reflect sufficient originality in selection and in arrangement to merit protection, the Court concluded that "not every selection, coordination, or arrangement will pass muster." *Feist*, 499 U.S. at 358-59. Indeed, the plaintiffs' white pages were "entirely typical," merely providing an alphabetical listing of all of the phone numbers in a particular region. *Id.* at 362. Therefore, the Court held that defendant did not commit copyright infringement by copying the factual information set forth in plaintiffs directory.

In other instances, as envisioned by the Court in *Feist*, the selection and arrangement of matter in assorted compilations has been sufficiently original to warrant

copyright protection. *See, e.g.*, *Lipton*, 71 F.3d 464; *Eckes v. Card Prices Update*, 736 F.2d 859 (2d Cir. 1984); *Key*, 945 F.2d 509; *CCC*, 44 F.3d 61 (holding that computer data base provider infringed plaintiff's copyright in book of used car valuations by including same selection of vehicles and same price estimates in online system); *Nester's Map & Guide Corp.*, 796 F. Supp. 729 (holding that publisher infringed plaintiff's copyright in a taxi driver's guide of New York City by producing competing guide copying plaintiffs selection and arrangement of street listings). In *Lipton*, for instance, the Second Circuit held that defendant infringed plaintiff's copyright in a book of venery — a guide of "collective terms for identifying certain animal groups" — by releasing a compilation consisting of those very terms that plaintiff had selected for inclusion in his book. 71 F.3d at 467. In *Eckes*, the Court held that defendants infringed plaintiffs' copyright in a baseball card price guide by publishing a competing price "update" which listed essentially the same 5,000 cards that plaintiffs guide designated as "premium." 736 F.2d at 861. These and other decisions highlight that "[t]he amount of creativity, required for copyright protection of a compilation is decidedly small," and that the mere selection of information for publication can often times reflect sufficient originality to warrant copyright protection. *Lipton*, 71 F.3d at 470.

Although relatively little creativity is required to give rise to an original selection or arrangement of materials within a compilation or collective work, great care is required to preserve that original selection or arrangement in a subsequent work. In order to preserve an original selection of materials, for instance, a subsequent work must copy more

than a "certain percentage" of those materials. *See Worth v. Selchow & Righter Company*, 827 F.2d 569, 573 (9th Cir. 1987) (holding that defendants' trivia game did not copy original selection of facts included in plaintiffs trivia encyclopedia where defendant copied only a fraction of those facts), *cert. denied*, 485 U.S. 977 (1988). As the Second Circuit has put it, the subsequent work cannot differ in selection by "more than a trivial degree" from the work that preceded it. *See Kregos v. Associated Press*, 937 F.2d 700, 710 (2d Cir. 1991) (holding that defendant did not infringe plaintiffs form of baseball pitching statistics by devising a competing form including 6 of the 9 categories of statistics identified by plaintiff); *see also Lipton*, 71 F.3d at 471 (finding that defendant's allegedly infringing work contained "essentially the same selection" as plaintiffs).

One of the defining original aspects of the publisher defendants' periodicals is the selection of articles included in those works. Indeed, newspapers and magazines are quite unlike phone books. Far more so even than books of terminology or baseball card guides, selecting materials to be included in a newspaper or magazine is a highly creative endeavor. *The New York Times* perhaps even represents the paradigm, the epitome of a publication in which selection alone reflects sufficient originality to merit copyright protection. Identifying "all the news that's fit to print" is not nearly as mechanical (or noncontroversial) a task as gathering all of the phone numbers from a particular region. Indeed, recognizing matters of interest to readers is a highly subjective undertaking, one that different editors and different periodicals undoubtedly perform with varying degrees of success.

Appendix B

The defendant publishers' protected original selection of articles, a defining element of their periodicals, is preserved electronically. Articles appear in the disputed data bases solely because the defendant publishers earlier made the editorial determination that those articles would appeal to readers.[13] As a result, the disputed technologies copy far more than a "certain percentage" of the articles selected by the publisher defendants. *See Worth*, 827 F.2d at 573; *see also Kregos*, 937 F.2d at 710. Those technologies copy all of the articles which are selected to appear in each daily or weekly issue of *The New York Times* or *Newsday* or *Sports Illustrated*.

Although they recognize that the complete content of all of the articles from each disputed periodical are available electronically, plaintiffs point out that those articles are stored alongside almost countless other articles that appeared in other issues of other periodicals. This immersion into a larger data base does not automatically mean, however, that the defendant publishers' protected original selection is lost. *See CCC*, 44 F.3d at 68 n. 8 ("The district court also believed that CCC did not infringe Red Book's original protected elements because CCC included Red Book's selection in a more extensive data base. We disagree."). Indeed, the

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13. In this regard, there is no intervening original selection of articles that might render NEXIS or UMI's CD-ROMs separate collective works. *See* H.R. Report No. 94-1476, at 122-23 (1976) ("the publisher could not revise the contribution itself or include it in a new anthology or an entirely different magazine or other collective work"). Plaintiffs have not, in any event, contended that NEXIS and the disputed CD-ROMs would qualify as such. (10/17/96 Tr. at 32.)

electronic defendants avoid this risk by taking numerous steps to highlight the connection between plaintiffs' articles and the hard copy periodicals in which they first appeared. For instance, users access plaintiffs' articles through data bases consisting only of those articles printed in a particular identified periodical, or particular periodicals. More importantly, once an article is selected for review, that article is identified not only by author, but by the publication, issue, and page number in which it appeared. Thus, the electronic technologies not only copy the publisher defendants' complete original "selection" of articles, they tag those articles in such a way that the publisher defendants' original selection remains evident online.[14]

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14. The fact that the electronic services repeatedly identify the publication from which each article was obtained undermines the persuasive force of an analogy plaintiffs call upon throughout their briefs. Plaintiffs compare the articles appearing in the data bases with car parts; just as a wrecked vehicle is dissembled to create value in its individual parts, plaintiffs contend that each of the defendant publications quickly lose their value as collective works and are therefore electronically dissembled to create value in the individual articles. Once in a data base, however, an article's association with a particular periodical plainly enhances the value of that article. Indeed, an article appearing in *Newsday* or *The New York Times* is instantly imbued with a certain degree of credibility that might not exist in the case of an article never published, or an article published in other periodicals. To the extent that the articles appearing in electronic form can be likened to car parts, then, it is not those parts that can be fitted into most makes and models, but those that are available only at a premium because they meet the design specifications for a particular model produced by a particular automobile manufacturer.

Appendix B

2. Aspects Of Defendants' Periodicals Not Preserved Electronically

According to plaintiffs, the electronic reproductions cannot reasonably be considered revisions of the publisher defendants' periodicals because significant elements of each disputed periodical are not preserved electronically. Put differently, plaintiffs object to the Court's approach because it focuses upon that which is retained electronically, as opposed to that which is lost. Most notably, aside from the image-based CD-ROM, the disputed technologies do not reproduce the photographs, captions, and page lay-out of the defendant publications. With these significant differences between the technological reproductions and the defendant publications, plaintiffs' position has a certain appeal. There is no avoiding that much of what is original about the disputed publications is not evident online or on disc. Ultimately, however, these changes to the defendant publishers' hard copy periodicals are of only peripheral concern to the "revision" analysis.

By its very nature, a "revision" is necessarily a changed version of the work that preceded it. As already explained, (Section III.B.2.c., *supra*), Section 201(c) permits even major changes to collective works. The framers of that provision sought to avoid the exploitation of individual articles, and did not intend to prevent publishers from reworking their collective works in significant ways. In order to permit such reworking, while at the same time preventing changes to the substance of individual articles, Congress determined that publishers would have the leeway to preserve certain original aspects of their creations while discarding others. In the

words of Section 201(c), Congress determined that publishers would be permitted to create "any revision" of their collective works. The critical question for the Court, then, is not whether the electronic reproductions are different from the publisher defendants' collective works; it is inevitable that a revision will be different from the work upon which it is based. The question for the Court is whether the electronic reproductions retain enough of defendants' periodicals to be recognizable as versions of those periodicals.

Because a collective work typically possesses originality only in its selection and arrangement of materials, it is to be expected that, in a revised version of such a work, either the selection or arrangement will be changed or perhaps even lost. This is precisely what has happened here. Lacking the photographs and page lay out of the disputed periodicals, NEXIS and "The New York Times OnDisc" plainly fail to reproduce the original arrangement of materials included in the publisher defendants' periodicals. By retaining the publisher defendants' original selection of articles, however, the electronic defendants have managed to retain one of the few defining original elements of the publishers' collective works. In other words, NEXIS and UMI's CD-ROMs carry recognizable versions of the publisher defendants' newspapers and magazines. For the purposes of Section 201(c), then, defendants have succeeded at creating "any revision[s]" of those collective works.

The Court finds further support for its holding in the language of those compilation infringement cases that have already informed so much of the analysis in this decision. In particular, a work that copies *either* the original selection or

the original arrangement of a protected compilation is "substantially similar" to that compilation for copyright purposes. *See Key*, 945 F.2d at 514 ("If the Galore Directory is substantially similar to the 1989-90 Key directory with regard to that arrangement of categories or that selection of businesses, then a finding of infringement can be supported.") (emphasis added). In other words, where a compilation possesses both an original arrangement and an original selection, a substantial similarity persists even where the original arrangement is sacrificed. *Id.* Thus, because the electronic data bases preserve defendants' original selection of articles, those data bases are "substantially similar," as a matter of law, to defendants' periodicals.[15]

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15. "Substantial similarity," as a term or art, perhaps often times overstates the actual resemblance between two works. In particular, relatively little copying is required to render an allegedly infringing work "substantially similar" to a wholly original creation. *See, e.g.*, *Twin Peaks*, 996 F.2d at 1372 ("the concept of similarity embraces not only global similarities in structure and sequence, but localized similarity in language."); *Harper & Row Publishers v. Nation Enterprises*, 471 U.S. 539 (1985) (finding infringement where defendant published magazine article which excerpted only 300-400 words from President Ford's as yet unreleased memoirs). Substantial similarity, however, is a more exacting standard in the compilation and collective work context. *See Key*, 945 F.2d at 514. Indeed, substantial similarity depends upon the copying of "those elements, and only those elements, that provide copyrightability to the allegedly infringed compilation." *Id.* Thus, to a greater extent than in other areas of copyright law, a finding that a work shares a substantial similarity with a compilation or a collective work provides a fair, if imperfect, indicator that that work actually bears a significant resemblance to the work upon which it is based.

Appendix B

By invoking the "substantial similarity" test of the compilation infringement cases, the Court does not mean to declare a fixed rule by which a revision of a particular collective work is created any time an original selection or arrangement is preserved in a subsequent creation. In certain circumstances, it is possible that the resulting work might be so different in character from "that collective work" which preceded it that it cannot fairly be deemed a revision. The Court need not speculate or hypothesize as to this possibility, however, because the electronic reproductions do more than merely preserve a defining element of the publishers' collective works. Those technologies preserve that element within electronic systems which permit users to consult defendants' periodicals in new ways and with new efficiency, but for the same purposes that they might otherwise review the hard copy versions of those periodicals. Indeed, in the broadest sense, NEXIS and CD-ROMs serve the same basic function as newspapers and magazines; they are all sources of information on the assorted topics selected by those editors working for the publisher defendants.[16]

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16. Plaintiffs would likely contend that the Court mischaracterizes the "basic function" of a newspaper or magazine by failing to appreciate that hard copy newspapers and electronic data bases are put to very different uses. Plaintiffs propose that people read newspapers to get the day's news, whereas they consult data bases and CD-ROMs for research purposes. A newspaper does not cease to be a newspaper, however, in the event that it comes to be used primarily for research purposes. Once included in the stacks of a library, for instance, a complete issue of *The New York Times* is undoubtedly still an issue of *The New York Times* despite the fact that it would likely be consulted only for particular articles identified by researchers in periodical indices. In this sense, NEXIS and the CD-ROMs do not fail to reproduce versions of defendants' periodicals; they simply store those versions within something akin to an electronic research library.

In sum, if NEXIS was produced without the permission of The New York Times or Newsday or Time, these publishers would have valid claims of copyright infringement against MEAD. If "General Periodicals OnDisc" or "The New York Times OnDisc" was produced without the permission of The New York Times, that publisher would have a valid claim of infringement against UMI. In other words, absent a consideration such as fair use, the defendant publishers would be able to recover against the electronic defendants for creating unauthorized versions of their periodicals. *See* 17 U.S.C. § 107 (describing those circumstances in which the unauthorized creation of a substantially similar version of an original work is excused as "fair use"). The Court is unable to conclude that these electronic versions can be "substantially similar" to defendants' collective works for some purposes, without at least qualifying as "any revision[s]" of those works for present purposes. 17 U.S.C. § 201(c). This is particularly so in light of the fact that these technologies preserve this substantial similarity while retaining the basic character of the publisher defendants' periodicals.[17]

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17. Plaintiffs devote considerable attention to the arrangements entered into between the publisher defendants and the electronic defendants. For instance, plaintiffs emphasize that The New York Times, in one of its license agreements with MEAD, expressly prohibits NEXIS from producing "facsimile reproductions" of *The New York Times*. (Pl.s' Mot. Summ. J. Ex. 38 at M003642.) In its first contract with UMI, on the other hand, The New York Times grants UMI the exclusive right to reproduce full images of the newspaper and its sections. (Pl.s' Mot. Summ. J. Ex. 39 U007357.) Plaintiffs argue that such arrangements demonstrate that The New York Times recognizes that it is profiting from plaintiffs' individual

(Cont'd)

Appendix B

3. Section 201(c) And The Rights Of Authors

Plaintiffs are adamant that a ruling for defendants in this case leaves freelance authors without any significant protection under the 1976 Act. This result, according to plaintiffs, cannot be reconciled with the fact that the passage of Section 201(c) — and the dismantling of indivisibility — represented an important victory for individual authors.

As an initial matter, plaintiffs exaggerate the repercussions of this decision. The electronic data bases retain a significant creative element of the publisher defendants' collective works. In numerous other conceivable circumstances, Section 201(c) would apply to prevent the exploitation, by publishers, of individual articles. The New York Times, for instance, cannot sell a freelance article to be included in *Sports Illustrated*. *See Quinto*, 506 F. Supp. 554; *see also* H.R. Report No. 94-1476, at 122-23 (1976) ("the publisher could not revise the contribution itself or include it in a new anthology or an entirely different magazine or other collective work"). A magazine publisher cannot rework a featured article into a full length book. *Cf. Oddo v. Ries*, 743 F.2d 630, 633-34 (9th Cir. 1984) (explaining that magazine publisher did not acquire the

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(Cont'd)
articles through NEXIS, and from its larger periodical through "General Periodicals OnDisc." To the contrary, by selling different original aspects of *The New York Times* to different electronic providers — article selection in the case of MEAD, and visual layout in the case of UMI — the publisher is merely taking advantage of the fact that there is more than one way to revise a collective work.

exclusive right to rework plaintiffs published articles into book form). And publishers cannot create television or film versions of individual freelance contributions to their periodicals. *Cf. Abend*, 495 U.S. 207 (prohibiting film maker from creating movie version of story first published in a magazine without the permission of the author's successor in interest). Though these scenarios are perhaps overshadowed by the seeming omnipresence of NEXIS and CD-ROM technology, authors remain protected under Section 201(c).

The Court does not take lightly that its holding deprives plaintiffs of certain important economic benefits associated with their creations. This does not result from any misapplication of Section 201(c), however, but from modern developments which have changed the financial landscape in publishing. In particular, on-line technologies and CD-ROMs did not begin to flourish commercially until the early to mid 1980s.[18] Thus, when the Copyright Act was formulated, during the 1960s and early 1970s, the most immediate economic threat to freelance writers was not posed by computer technology, but by the sort of transactions described in the preceding paragraph — *e.g.*, the sale of articles between magazines, television adaptations of stories, etc. Congress responded with a provision targeted to prevent such exploitation. Publishers were left with the right to revise their collective works; a right then perceived to have only limited economic value, but a right that time and technology have since made precious.

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18. *See* Sidney A. Rosenzweig, *Don't Put My Article Online!: Extending Copyright's New-Use Doctrine To The Electronic Publishing Media And Beyond*, 143 U. Pa. L. Rev. 899, 929 (1995).

In sum, plaintiffs insist that the framers of Section 201(c) never intended the windfall for publishers permitted under this Court's ruling. This may well be. If today's result was unintended, it is only because Congress could not have fully anticipated the ways in which modern technology would create such lucrative markets for revisions; it is not because Congress intended for the term revision to apply any less broadly than the Court applies it today. In other words, though plaintiffs contend mightily that the disputed electronic reproductions do not produce revisions of defendants' collective works, plaintiffs' real complaint lies in the fact that modern technology has created a situation in which revision rights are much more valuable than anticipated as of the time that the specific terms of the Copyright Act were being negotiated. If Congress agrees with plaintiffs that, in today's world of pricey electronic information systems, Section 201(c) no longer serves its intended purposes, Congress is of course free to revise that provision to achieve a more equitable result. Until and unless this happens, however, the courts must apply Section 201(c) according to its terms, and not on the basis of speculation as to how Congress might have done things differently had it known then what it knows now. *See ABKCO Music, Inc. v. Stellar Records, Inc.*, 96 F.3d 60, 65 (2d Cir. 1996) ("what Congress may or may not do in the future to redefine [a copyright] term is not for us to speculate.").

CONCLUSION

For the reasons set forth above, defendants' motion for summary judgment is GRANTED. The Clerk of the Court is

directed to enter judgment dismissing this action against the remaining defendants in accordance with this Opinion and Order.

SO ORDERED.

Dated: New York, New York
August 13, 1997

s/ Sonia Sotomayor
Sonia Sotomayor
U.S.D.J.

APPENDIX C — JUDGMENT OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK DATED AND FILED AUGUST 18, 1997

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

93 **CIVIL** 8678 (SS)

JONATHAN TASINI, MARY KAY BLAKELY, BARBARA GARSON, MARGOT MIFFLIN, SONIA JAFFE ROBBINS, and DAVID S. WHITFORD,

Plaintiffs,

– against –

THE NEW YORK TIMES CO., NEWSDAY INC., TIME INC., THE ATLANTIC MONTHLY CO., MEAD DATA CENTRAL CORP., and UNIVERSITY MICROFILMS INC.,

Defendants.

JUDGMENT

Defendants having moved for summary judgment and the motion having come before the Honorable Sonia Sotomayor, United States District Judge, and the Court thereafter, on August 13, 1997, having rendered its Opinion (79095) and Order granting the defendants' motion, it is,

ORDERED, ADJUDGED AND DECREED: That for the reasons stated in the Court's Opinion (79095) and Order

of August 13, 1997, defendants' motion for summary judgment are hereby granted, and judgment is hereby entered dismissing the remaining defendants in accordance with the Court's Opinion and Order.

DATED: New York, New York
August 18, 1997

JAMES M. PARKISON
Clerk of Court

BY: s/ [illegible]
Deputy Clerk

APPENDIX D — OPINION AND ORDER OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK DATED OCTOBER 29, 1997

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

93 Civ. 8678 (SS)

JONATHAN TASINI, MARY KAY BLAKELY, BARBARA GARSON, MARGOT MIFFLIN, SONIA JAFFE ROBBINS, and DAVID S. WHITFORD,

Plaintiffs,

– against –

THE NEW YORK TIMES CO., NEWSDAY INC., TIME INC., THE ATLANTIC MONTHLY CO., MEAD DATA CENTRAL CORP., and UNIVERSITY MICROFILMS INC.,

Defendants.

* * *

OPINION AND ORDER

On August 13, 1997, this Court issued an Opinion and Order dismissing plaintiffs' Complaint, and rejecting the contention that the defendant publishers and electronic service providers had committed copyright infringement by making plaintiffs' freelance articles available in various

electronic formats. *Tasini v. New York Times Co.*, 1997 WL 466520, *3 (S.D.N.Y. Aug. 13, 1997). As the basis for its ruling, the Court applied Section 201(c) of the Copyright Act and determined that defendants had properly republished plaintiffs' individual freelance articles as part of electronic "revisions" of the newspapers and periodicals in which those articles first appeared. 17 U.S.C. § 201(c).

On September 3, 1997, plaintiffs filed a motion for reconsideration, raising a number of objections to the Court's approach in its Opinion and Order. First, plaintiffs argue that the Court should have ruled for Whitford, one of the complaining freelance authors, upon rejecting Time Inc.'s claim that it had acquired electronic rights in one of Whitford's articles pursuant to contract. Second, plaintiffs argue that, even accepting the Court's interpretation of Section 201(c), there is a disputed question of fact as to whether any of the electronic technologies involved in this case qualify as permissible revisions. Finally, plaintiffs contend that the Court mistakenly accepted defendants' representations that plaintiffs had failed to raise an infringement claim relating to certain article abstracts created in connection with one of the disputed technologies, "General Periodicals OnDisc."

For the reasons discussed below, the Court rejects plaintiffs' motion, and declines to reverse any portion of its earlier decision.[1]

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1. In its August 13 Opinion and Order, the Court set out a detailed explanation of the facts and allegations pertinent to this dispute. *Tasini*, 1997 WL 466520, at *1-4. Familiarity with those facts is presumed.

Appendix D

DISCUSSION

1. Plaintiff Whitford's Contract Claim

In its August 13 Opinion, the Court rejected defendant Time Inc.'s claim that it had acquired, by contract, electronic rights in an article written by plaintiff Whitford and first published in the hard copy version of Sports Illustrated. In support of its argument, Time Inc. had invoked a provision of its written agreement with Whitford pursuant to which the publisher acquired "the exclusive right first to publish the Story in the Magazine." *Tasini*, 1997 WL 466520, at *3. Determining that the right of "first" publication could not reasonably be stretched into the right to be the first to publish a particular work in any and all mediums, the Court held that the disputed provision did not authorize Time Inc. to make Whitford's article available on NEXIS some 45 days following its initial hard copy publication.

Having found that Time Inc. failed to acquire electronic rights in Whitford's article pursuant to its selected contract provision, the Court considered whether Time Inc. — along with those defendants who had not entered into enforceable contracts concerning rights in the disputed articles — had nevertheless obtained those rights by statute. Ultimately, the Court determined that they had. All of the defendants had acted within the scope of their "privileges," under Section 201(c) of the Copyright Act of 1976, by creating electronic "revisions" of their collective works.[2]

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2. Section 201(c), which the Court analyzed at length in its August 13 Opinion, provides as follows:

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In their present motion, plaintiffs argue that the Court should have held in Whitford's favor directly upon rejecting Time Inc.'s contract claim. The Section 201(c) privileges, plaintiffs contend, "appl[y] only '[i]n the absence of an express transfer of the copyright or of any rights under it . . .' " (Memo Recon. at 2 (quoting Section 201(c)).) Because there was an express transfer between Whitford and Time, Inc. — and because defendants failed to show that this transfer reaches NEXIS — plaintiffs contend the Section 201(c) privileges simply do not apply in favor of Time Inc. Thus, plaintiffs insist that the Court should have extended the specified statutory privileges only to the remaining defendants, none of whom had entered into any binding agreements concerning rights in the disputed articles.

A. The Court's Contract Holding

Plaintiffs' argument has considerable appeal, but it depends upon a misstatement of the Court's August 13 ruling. The Court did not, as plaintiffs suppose, find that "Whitford

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> Copyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole, and vests initially in the author of the contribution. In the absence of an express transfer of the copyright or of any rights under it, the owner of copyright in the collective work is presumed to have acquired only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series.

17 U.S.C. § 201(c).

did not expressly transfer electronic rights in his article." (Memo. Recon. at 4.) Rather, the Court found that the particular contract provision invoked by Time Inc. — the provision extending "first" publication rights to the publisher — did not authorize the electronic republication of Whitford's article. Because only Time Inc. invoked its contract with Whitford, and because Time Inc. invoked only this provision, the Court was not in a position to announce any broader conclusion concerning the extent to which the remainder of the agreement did or did not reach questions of electronic republication.

The Court noted, however, in its August 13 Opinion, that at least two provisions in the contract between Time Inc. and Whitford potentially encompass rights extending as far as NEXIS. *Tasini*, 1997 WL 466520, at 7 n. 4. One provision, in particular, grants Time Inc. the following right in Whitford's article:

> (b) the right to republish the Story or any portions thereof *in or in connection with the Magazine* or in other publications published by Time Inc. Magazine Company, its parents, subsidiaries or affiliates, provided that you shall be paid the then prevailing rates of the publication in which the Story is republished.

Tasini, 1997 WL 466520, at *3 (emphasis added). This provision, with its broad "in connection with" language, appears explicitly to authorize the republication of Whitford's article as part of a revised version of defendant's magazine, as appears on NEXIS, provided that Whitford is

paid at "prevailing rates." Recognizing this possibility, the Court deemed it significant that plaintiffs neither raised a breach of contract claim in their complaint or in their briefs before the Court, nor presented any persuasive explanation as to why the provision did not — despite its seeming breadth — govern Time Inc.'s republication on NEXIS.[3] *Tasini*, 1997 WL 466520, at 7 n. 4. The Court was thereby left in the unusual position of dealing with a situation likely governed by contract, while dealing with a plaintiff to press a claim only of infringement.

By taking the unconvincing all or nothing stance that its contract with Time Inc. in no way implicated electronic rights, and by declining to press a breach of contract claim, Whitford framed its arguments in such a way that the Court could not make any conclusive determination as to whether

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3. Whitford argued only indirectly that NEXIS dissembles Sports Illustrated to such an extent that it can not even be said that articles are placed online "in connection" with the magazine. This is unconvincing. By placing all of the articles appearing in each issue of Sports Illustrated online, and by identifying each of those articles by the Sports Illustrated issue in which they appeared, NEXIS plainly republishes articles, like Whitford's, "in connection" with the magazine. In any event, if there is some persuasive evidence that the provision does not apply in such circumstances, Whitford never brought it to the Court's attention. *Cf. Bartsch v. Metro-Goldwyn-Mayer, Inc.*, 391 F.2d 150, 155 (2d Cir.) (holding that where contract language is broad enough to cover different technological uses, "the burden of framing and negotiating an exception should fall on the grantor."), *cert. denied*, 393 U.S. 826 (1968); *Bourne v. Walt Disney Co.*, 68 F.3d 621, 631 (2d Cir. 1995) ("in cases where only the scope of the license is at issue, the copyright owner bears the burden of proving that the defendant's copying was unauthorized."), *cert. denied*, 116 S. Ct. 1890 (1996).

Time Inc. had in fact exceeded the full extent of its rights under the contract. The Court was able only to determine that Time Inc. had gone beyond the isolated "first" publication right that it had invoked. Because of the remaining contract questions left unresolved by the parties' presentations, the Court resorted to the Section 201(c) presumption extending certain limited privileges to publishers.

B. The Presumed Privileges

The Court did not, as plaintiffs argue, act inconsistently with the language of Section 201(c) by applying the presumed privileges despite the existence of a contract between the parties. Just as it is a publisher's burden to demonstrate that it has acquired rights greater than the presumed privileges, it is an author's burden to demonstrate that any agreement between the parties limits a publisher to fewer than those privileges. *Cf. Bartsch*, 391 F.2d 150 (where contract language is broad enough to cover different technological uses, "the burden of framing and negotiating an exception should fall on the grantor"); *Bourne v. Walt Disney Co.*, 68 F.3d at 631 (placing burden on copyright holders to demonstrate that particular use of protected work is unauthorized under existing contract). In light of the deficiencies in its contract presentation, this is a burden that plaintiffs failed to meet.

Whitford seeks to avoid any responsibility for invoking his contract with Time Inc. by taking the position that, where a contract is in place between the parties, the Section 201(c) privileges do not apply, and it becomes the publisher's

burden to demonstrate that its actions are authorized under the agreement. (Memo. Recon. at 2.) Contrary to plaintiffs' reading, however, Section 201(c) does not provide that the specified privileges apply "only" in the absence of an express transfer of rights. More precisely, the provision indicates that, in the absence of an express transfer of rights, publishers are presumed to acquire "only" the delineated privileges. 17 U.S.C. § 201(c). Though subtle, this difference is significant.

Instead of using the term "only" to limit those circumstances in which the specified privileges apply, Section 201(c) uses the term "only" to suggest that the specified privileges represent a floor — *i.e.*, a minimum level of protection which, if unenhanced by express agreement, publishers are generally presumed to possess. In other words, it is implicit in the language of section 201(c) — and explicit in the House Report accompanying that provision — that in the absence of an express transfer of "more," a publisher is presumed to acquire, at a minimum (*i.e.*, "only"), the delineated privileges. H.R. Report No. 94-1476, at 122 (1976). Indeed, Congress viewed this minimum level of protection for the creators of collective works as an "essential counterpart" to the larger presumption favoring the authors of individual contributions. *Id.* Thus, because Time Inc. failed to demonstrate that it had obtained rights exceeding the Section 201(c) privileges (*i.e.*, "more"), the Court limited Time Inc. to "only" those "essential" privileges.[4]

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4. The Court recognizes that the circumstances of this case reveal a gap in the language of Section 201(c). By implying that an "express transfer of . . . rights" would necessarily leave a publisher with "more" than the statutory privileges, Congress seemingly

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Appendix D

The Section 201(c) privileges, as already emphasized, are not framed as an absolute base line, but as a "presumed" baseline. 17 U.S.C. § 201(c). Where a publisher seeks more protection than these privileges provide, the burden is on that publisher to demonstrate that it has acquired the desired rights. Conversely, where a writer attempts to deny a publisher certain of the Section 201(c) privileges, as Whitford does, that writer must defeat the statutory presumption by demonstrating an express transfer reflecting the desired limitations. By failing to explain how — despite a seemingly pertinent contract provision — Time Inc. failed to acquire electronic rights under contract, and by failing in the alternative to allege a breach of that provision, Whitford did not make this required showing. Thus, the Court was left

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(Cont'd)
assumed that any single "right" necessarily encompasses all of the specified "privileges." H.R. Report No. 94-1476, at 122 (1976). Even under plaintiffs' narrow reading of the term "privilege," however, it is possible for an express transfer of rights — such as a transfer of "one time" publication rights, or, as here, "first" publication rights — to leave a publisher with less protection than it would otherwise possess under Section 201(c). By failing to take this into account, Section 201(c) speaks directly only to those situations in which there is either no express transfer — in which case the privileges apply — or an express transfer clearly broad enough to displace the presumption limiting a publisher to "only" the specified privileges. The provision is less direct in dealing with those instances, like the present, in which a contract potentially alters the statutory base line, perhaps even in an author's favor, but neither party has invoked or adequately explained the pertinent contract language. For the reasons explained, the Court finds that, in such a situation, the Section 201(c) presumption applies, leaving a publisher with the specified privileges, and "only" those privileges.

with an insufficient basis either to conclude that Time Inc. had exceeded its rights under the contract, or to hold that Time Inc. had breached that contract. The Court therefore evaluated Whitford's copyright claim pursuant to the Section 201(c) presumptions.

In sum, because both parties failed to displace the Section 201(c) presumption by which publishers are granted certain limited privileges in connection with the individual contributions appearing in their collective works, the Court extended those statutory privileges — and "only" those privileges — to Time Inc.

C. Defendants' Request For Reconsideration

As part of their opposition to plaintiffs' motion, defendants themselves ask the Court to reconsider its determination that first publication rights do not reach NEXIS. According to defendants, nothing could be "more basic" than that the right "first to publish" in a particular "magazine" in no way "circumscribe [s]" a publisher's right to reissue that article in future publications of that same magazine, even in different formats. (Opp. at 8 n. 5, 9 n. 6.) There are at least two problems with this formulation which defendants deem so elementary.

First, the Court has never accepted defendants' characterization that NEXIS carries the same "magazine" in which Whitford's article initially was published; NEXIS, which strips away many of the elements present in the publishers' hard copy periodicals, carries a revised version of that magazine. While this satisfies the "any revision"

language of Section 201(c), the contract provision upon which Time Inc. relies includes no similar language. Thus, there is no basis for interpreting Time Inc.'s "first" publication right to encompass the right first to publish Whitford's article in its hard copy magazine and then again — a considerable time later — in a revised electronic version of that magazine.

Second, in defendants' initial motion, Time Inc. invoked its "first" publication right as the source of its authority to place Whitford's article on NEXIS, but defendant now suggests only that this contract provision in no way "circumscribe[s]" the publisher's existing electronic rights. (Opp. at 8 n. 5.) In other words, defendants tacitly accept that Time Inc.'s right to republish Whitford's article on NEXIS originates from some source other than the cited contract provision. In particular, this authority necessarily derives either from one of the contract provisions that neither party invoked, or from the "privilege" language of Section 201(c) as applied by this Court in its August 13 Opinion.

In sum, in light of the arguments advanced by the parties, the Court properly determined, in its August 13 Opinion, that Time Inc.'s "first" publication rights do not reach NEXIS, and that the Section 201(c) privileges nevertheless apply in favor of Time Inc.

II. Section 201(c) As Applied To The Undisputed Facts

In reaching its determination that the disputed technologies carry permissible "revisions" under Section 201(c), the Court rejected numerous arguments advanced by

the plaintiffs, all of which were offered in support of two basic conclusions: (i) plaintiffs argued that a revision cannot exist in a medium different from the work that preceded it, and (ii) plaintiffs argued that even if an electronic revision of a hard copy periodical is a theoretical possibility, the particular systems involved in this litigation are incapable of preserving enough of a collective work to generate such a revision.

For purposes of this motion for reconsideration, plaintiffs do not refute the Court's conclusion that it is at least possible to reproduce or revise a collective work within a medium different than the one in which that work initially appeared.[5] Instead, plaintiffs argue that the Court improperly resolved a factual dispute by determining that the technologies at issue in this case actually succeed at preserving plaintiffs' articles as a part of revised versions of the particular collective works in which those articles first appeared.

A. The Court's Analysis Under Section 201(c)

As a first step in determining whether a recognizable version (*i.e.*, "any revision") of each of the publisher

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5. In reaching this conclusion, the Court detected nothing in the language or history of Section 201(c) supporting the sort of media restriction favored by plaintiffs. *Tasini*, 1997 WL 466520, at *12-17. The Court further reasoned that any such limitation would be inconsistent with the forward looking and media neutral approach characterizing the Copyright Act generally. *Id.* Finally, the Court noted that plaintiffs themselves struggled with the copyright status of microfilm, a nonprint photographic reproduction of newspapers and other periodicals. *Id.* at *12, n. 7.

defendants' periodicals is preserved electronically, the Court sought to identify — within the context of a media neutral statute — the defining characteristics of a collective work. *Tasini*, 1997 WL 466520, at *18-20. Because collective works are a species of compilation, the Court consulted those cases involving copyright infringement claims brought by the creators of other types of compilations, typically factual compilations. *Id.* The Supreme Court has determined, in such cases, that compilations are protected original creations only to the extent that they evince an original selection or arrangement of materials. *See Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340, 349 (1991). In other words, a compilation — and thus a collective work — gets its unique character not from its individual parts, but from the original manner in which those parts are combined into a collective whole.

Having determined that a distinguishing characteristic of any collective work is its original selection of materials, the Court set out to identify this defining attribute of the disputed periodicals. *Tasini*, 1997 WL 466520, at *20. In a conclusion that plaintiffs do not contest, the Court found that each publisher's selection of articles for inclusion in their collective works reveals significant originality and editorial discretion. *Id.* Drawing upon its earlier conclusion that the broad "any revision" language of Section 201(c) permits even major revisions, the Court reasoned that this original article selection, if preserved in a subsequent creation, would render that creation at least a recognizable version of the hard copy periodical that preceded it.

In some of the same compilation infringement cases that the Court had already consulted, it had been established that,

in order to preserve an original selection of materials, a subsequent creation must incorporate that selection nearly in full. *See, e.g., Kregos v. Associated Press*, 937 F.2d 700, 710 (2d Cir. 1991) (deeming it unlikely that defendant infringed plaintiff's form of baseball pitching statistics by devising a competing form including only 6 of the 9 categories of statistics identified by plaintiff); *cf. Beudin v. Ben & Jerry's Homemade, Inc.*, 95 F.3d 1, 2 (2d Cir. 1996) ("Where the quantum of originality is slight and the resulting copyright 'thin' " — as in the case of a compilation — "infringement will be established only by very close copying . . ."). Importing this principle into the Section 201(c) context, the Court found it significant that the electronic systems carry the publisher defendants' complete selection of articles, and that — once selected for review — those articles are identified according to the periodicals in which they originally appeared. Indeed, largely because it was undisputed that a defining original characteristic of the publisher defendants' periodicals is fully preserved both online and on disc, the Court held that the electronic systems are home to revised versions of the publisher defendants' collective works.[6] *Tasini*, 1997 WL 466520, *21.

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6. The Court's holding did not follow automatically from the fact that the electronic systems preserve a significant original aspect of their hard copy counterparts, but was based also upon the Court's observation that each of the electronic systems could fairly be analogized to a library in which complete issues of hard copy periodicals are made available to researchers interested in locating particular articles of interest. In other words, the electronic systems do not destroy the publishers' collective works; those systems make revisions of those works available — for traditional purposes — in new and advanced ways. *Tasini*, 1997 WL 466520, *23.

Appendix D

After finding that the NEXIS and the CD-ROM technologies qualified as revised versions of their hard copy predecessors, the Court noted the extent to which certain terms of art employed in the compilation infringement context lend further credence to its conclusions. Specifically, the Court contrasted the "substantial similarity" test employed in compilation infringement cases with the broad "any revision" language of Section 201(c). It would present something of an anomaly, the Court reasoned, if a work could be deemed 'substantially similar' to a particular collective work for some copyright purposes without at least qualifying as "any revision" of that same collective work for other purposes under the Act. *Tasini*, 1997 WL 466520, *22-23. The Court accepted this possibility, however, and emphasized that the electronic systems are substantially similar to their hard copy counterparts, not merely as a technical matter, but in such a way as to preserve the "basic character" of those periodicals.

Finally, the Court acknowledged that its specific holding probably was not contemplated by the framers of Section 201(c). Nevertheless, in enacting a media neutral statute employing a broad "any revision" standard, Congress left open the possibility that publishers might ultimately garner — as they now do — tremendous profits from then nascent technologies. Addressing the possibility that modern developments have thereby undercut the original Congressional purpose of protecting authors, this Court simply did not consider it an appropriate judicial function to rework the language or structure of Section 201(c). *See Tasini*, 1997 WL 466520, *23-24.

Appendix D

B. Plaintiffs' Alleged Factual Dispute

Purporting to accept the Court's legal framework, at least for purposes of their present motion, plaintiffs contend that there is a disputed question as to whether the electronic reproductions are in fact substantially similar to the defendants' hard copy publications. In support of their argument, plaintiffs identify a litany of ways in which the electronic services are visually unlike their hard copy counterparts. Most notably, and except for General Periodicals OnDisc, those services do not display the photographs, columns and page layout of the hard copy newspapers and periodicals. Moreover, as plaintiffs emphasize, the electronic services contain millions of articles, almost countless more than any particular issue of any one of the disputed publications.

Aside from reiterating matters squarely addressed by the Court in its August 13 Opinion, *Tasini*, 1997 WL 466520, *21-23, plaintiffs' reformulated argument — tied to the Court's discussion of "substantial similarity" — quite simply misses the point. In the case of a collective work, a substantial similarity exists where either an original selection or an original arrangement is copied into a subsequent work. *See, e.g., Key Publications, Inc. v. Chinatown Today Publishing Enterprises, Inc.*, 945 F.2d 509, 514 (2d Cir. 1991) ("If the Galore directory is substantially similar to the 1989-90 Key directory with regard to that arrangement of categories or that selection of businesses, then a finding of infringement can be supported."). Moreover, where it is apparent that an entire original selection of materials has been copied into a subsequent work, that work shares a substantial similarity

with the work that preceded it, even if the subsequent work includes numerous additional materials, as well. *See CCC Information Services, Inc. v. MacLean Hunter Market Reports, Inc.*, 44 F.3d 61 (2d Cir. 1994) (holding that computer data base provider infringed plaintiffs copyright in book of used car valuations by including same selection of vehicles and same price estimates into larger online system), *cert. denied*, 116 S. Ct. 72 (1995); *cf. Harper & Row Publishers v. Nation Enterprises*, 471 U.S. 539, 565 (1985) (" 'no plagiarist can excuse the wrong by showing how much of his work he did not pirate.' ") (quoting *Sheldon v. Metro-Goldwyn Pictures Corp.*, 81 F.2d 49, 56 (2d Cir. 1936)). Thus, where it can be established that an original selection of materials has in fact been copied into another work, it is appropriate for a court considering a motion for summary judgment to determine — as a matter of law — that a substantial similarity exists.[7]

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7. By invoking the "ordinary observer" test commonly employed in infringement cases, plaintiffs ignore the unique considerations operating upon that standard as it applies in the compilation context. In many circumstances, a finding of substantial similarity depends upon whether an ordinary observer would consider two works to have a common aesthetic appeal. *See Knitwaves, Inc. v. Lollytags Ltd.*, 71 F.3d 996, 1002 (2d Cir. 1995). In the case of a compilation, however, this test looks more narrowly to whether "the protectible elements, standing alone, are substantially similar." *Id.* Thus, where an entire original selection of materials is copied, even into a work that plainly would not be mistaken for its predecessor, a finding of substantial similarity is appropriate. In *Lipton*, for instance, the Second Circuit detected a substantial similarity between plaintiff's book of terminology and a scarf adorned with "essentially the same" terms selected by plaintiff for inclusion in his compilation. *Lipton*, 71 F.3d 464, 471. In *CCC*, as here, the Court identified a substantial similarity between a computer data base and a hard copy publication. 44 F.3d 61.

See, e.g., Lipton v. Nature Co., 71 F.3d 464 (2d Cir. 1995); *cf. Rogers v. Koon*, 960 F.2d 301, 307 (2d Cir. 1992) (explaining that, where it is clear that an original element of one work has been copied into another, it is appropriate for a court to determine, at summary judgment, that a substantial similarity exists between the two).

In this case, there can be no dispute, and has been no dispute, with respect to two critical facts. First, the selection of articles included in each of the disputed periodicals constitutes an original and defining characteristic of those periodicals. Second, all of the articles printed in each issue of the disputed hard copy periodicals are made available electronically and, once online or on disc, those articles are displayed with headers identifying the hard copy periodicals in which they originally appeared. (Pl.s' Memo. Supp. Mot. Summ. J. at 21 ("each display . . . contains not only the text of the articles or stories that have been copied, but also . . . the title of the article, the author's name, the origin of the article (publication and date) . . .").) On the basis of these undisputed facts, and as other courts have done in the analogous circumstances of compilation infringement cases, this Court was able to determine — as a matter of law — the extent of the similarity between the different works before it.

By listing the numerous ways in which the electronic reproductions are different from the paper periodicals, and by suggesting that a jury might therefore have found an absence of any substantial similarity, plaintiffs attempt to turn the Court's legal analysis on its head. As explained at length in the August 13 Opinion, a revision is identified on

the basis of what it retains of a prior work and not on the basis of what it loses. *Tasini*, 1997 WL 466520, *21-23. This grows out of the fact that the "any revision" language of Section 201(c) contemplates even major revisions to a collective work. A major revision, by its very nature, will be different in substantial ways from the work that preceded it. So long as a work retains a significant defining characteristic of an earlier work, however, it remains a recognizable version of that work. This is generally enough to qualify a work as "any revision" of a particular collective work for purposes of Section 201(c), and it is enough also to qualify two works as substantially similar for other purposes at copyright law. Thus, because there is no factual dispute as to whether the disputed technologies preserve the complete original selection of articles included in the publisher defendants' periodicals, the Court had ample factual basis — within the legal framework that it employed — to hold in defendants' favor.

Finally, it is worth reiterating that the Court did not, strictly speaking, hold for defendants under Section 201(c) based solely upon its determination that a substantial similarity exists between the hard copy periodicals and their electronic counterparts. It is true that much of the Court's analysis was informed by the compilation infringement cases, which necessarily implicate questions of substantial similarity. More important for the Court's purposes, however, those decisions provide guidance in identifying the distinguishing original characteristics of any particular collective work, an inquiry necessarily critical whenever it is a court's task to compare such a work with a subsequent creation. Having made this inquiry, this Court was able to

determine, as a matter of law, that the disputed systems store revised versions of the publisher defendants' hard copy periodicals.

III. "General Periodicals OnDisc" Abstracts

Plaintiffs finally argue that they had objected that the article abstracts provided as a part of "General Periodicals OnDisc" themselves constitute unauthorized derivative versions of their articles, and that — in a footnote — the Court mistakenly accepted defendants' representation that the issue had never been raised. *Tasini*, 1997 WL 466520, *18, n. 12 (declining to consider "whether the abstracts infringe plaintiffs' copyrights in their individual articles."). This reflects both a misunderstanding as to exactly which issues the Court declined to consider, and a mischaracterization as to exactly which issues plaintiffs had advanced.

Plaintiffs' basic position throughout this litigation has been that the electronic defendants dissemble the publishers' collective works in order to obtain value in plaintiffs' individual articles. This argument had its greatest force in connection with NEXIS and "The New York Times OnDisc," both of which are text based systems which store and display articles individually. Plaintiffs had a considerably more difficult time advancing their position in connection with "General Periodicals OnDisc," an image based system which photographically reproduces complete sections of The New York Times. Indeed, plaintiffs struggled to find some way in which to distinguish this system from microfilm, a photographic reproduction which plaintiffs could not readily

deem impermissible under Section 201(c). (Mot. Recon. at 15-16.) It is in connection with this effort that plaintiffs invoked the article abstracts.

As they recount in their present motion, plaintiffs argued that the article abstracts render General Periodicals OnDisc a "marriage between two data bases." (Memo. Supp. Recon. at 13, 16.) More particularly, plaintiffs reasoned that General Periodicals OnDisc is not a pure image based system, but a hybrid system including a text based component. *Id.* This text based component, plaintiffs argued, operates to dismantle the publishers' collective works by permitting users to identify and to access individual articles appearing within the system. In short, plaintiffs maintained that the abstracts render General Periodicals OnDisc more akin to NEXIS and The New York Times OnDisc than to microfilm. (Memo. Supp. Recon. at 18.)

Because the Court found that even NEXIS and The New York Times OnDisc qualify as a permissible revisions, plaintiffs' efforts at finding a text based component to General Periodicals OnDisc amounted to an exercise in futility. Whether conceived as a text based or image based or hybrid system, General Periodicals OnDisc — like NEXIS and The New York Times OnDisc — preserves enough of each disputed periodical (*i.e.*, the publisher defendants' original selection of articles) to qualify under the "any revision" language of Section 201(c). In whatever way plaintiffs' articles are accessed and displayed, they are preserved within the disputed systems as part of revised versions of the periodicals in which they initially appeared. Having reached this conclusion, the Court did not overlook

plaintiffs' argument that General Periodicals OnDisc is not a true image based system; the Court simply considered that argument inconsequential.

In expressly declining to address the possibility that the individual article abstracts infringed plaintiffs' rights in their articles, the Court was responding to a concern unrelated to the "part-text/part-image based" argument that plaintiffs had actually raised in their pleadings. This concern grew out of the Court's determination that Section 201(c) broadly permits revisions of collective works but only narrowly allows for reproductions of individual articles. *Tasini*, 1997 WL 466520, at *16. In light of this, the Court raised the possibility that the article abstracts — depending upon their content — might constitute unauthorized derivative versions of each article, instead of something akin to a simple index useful for retrieving the full text of those articles from within the system. It is this narrow concern — a concern which plaintiffs never raised — which the Court declined to consider in its August 13 Opinion. Moreover, plaintiffs never presented the Court with excerpts from the potentially infringing abstracts. Even if it had been their intention to argue that those abstracts constitute unauthorized derivative versions of the corresponding articles, plaintiffs thereby failed to make out a prima facie case of infringement. *See Eckes v. Card Prices Update*, 736 F.2d 859, 861 (2d Cir. 1984) (explaining that it is the burden of any plaintiff claiming copyright infringement to prove that an allegedly infringing work copies protected elements of the copyright holder's protected work).

Appendix D

CONCLUSION

For the reasons set forth above, plaintiffs motion for reconsideration is DENIED.

SO ORDERED.

Dated: New York, New York
October 29, 1997

s/ Sonia Sotomayor
Sonia Sotomayor
U.S.D.J.

APPENDIX E — ORDER OF THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT DENYING PETITION FOR REHEARING DATED AND FILED APRIL 6, 2000

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT
UNITED STATES COURT HOUSE
40 FOLEY SQUARE
NEW YORK 10007

ROSEANN B. MACKECHNIE
CLERK

At a stated term of the United States Court of Appeals for the Second Circuit, held at the United States Courthouse, Foley Square, in the City of New York, on the 6th day of April two thousand.

Dkt No: 97-9181

Tasini

Plaintiff-Appellant

v

The New York Times

Defendant-Appellee

A petition for panel rehearing and a petition for rehearing en banc having been filed herein by the appellee The New York Times.

Appendix E

Upon consideration by the panel that decided the appeal, it is Ordered that said petition for rehearing is **DENIED.**

It is further noted that the petition for rehearing en banc has been transmitted to the judges for the court in regular active service and to any other judge that heard the appeal and that no such judge has requested that a vote be taken thereon.

FOR THE COURT

ROSEANN B. MACKECHNIE,
Clerk

By: s/ Beth J. Meador
Beth J. Meador,
Administrative Attorney

APPENDIX F — ORDER OF THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT GRANTING MOTION FOR STAY OF MANDATE DATED AND FILED APRIL 26, 2000

UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

* * *

Docket Number
97-9181

JONATHAN TASINI, et al.,

Plaintiffs-Appellants,

– vs –

THE NEW YORK TIMES, et al.,

Defendants-Appellees.

MOTION INFORMATION FORM

Motion for stay of mandate pending
filing of writ of certiorari

MOTION BY: *(Name, address and tel. no. of law firm and of attorney in charge of case)*

Bruce P. Keller, Esq.
Debevoise and Plimpton
875 3rd Ave.
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212-909-6000

Appendix F

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212-297-3383

Has consent of opposing counsel:

A. been sought? ☐ Yes ☒ No
B. been obtained? ☐ Yes ☒ No

Has service been effected? ☒ Yes ☐ No

Is oral argument desired? ☐ Yes ☒ No

* * *

Brief statement of the relief requested:

Stay of this Court's mandate pending filing of petition for writ of certiorari with the U.S. Supreme Court.

Appendix F

s/ Bruce P. Keller
By: *(Signature of Attorney)*
Signed name must be printed beneath.
Bruce P. Keller

The New York Times Co., Inc., Newsday, Inc.,
Time Inc., Mead Data Central Corp. and
University Microfilms
Appearing for: *(Name of Party)*

Appellee or Respondent: ☐ Plaintiff ☒ Defendant

ORDER

BEFORE: HON. RALPH K. WINTER, Chief Judge, HON. ROGER J. MINER, HON. ROSEMARY S. POOLER, C.JJ

IT IS HEREBY ORDERED that the motion for stay of mandate be and it hereby is GRANTED.

FOR THE COURT
ROSEANN B. MACKECHNIE,
Clerk
by

s/ Beth J. Meador
Beth J. Meador
Administrative Attorney

APPENDIX G — ORDER OF THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT GRANTING MOTION FOR EXTENSION OF STAY OF MANDATE PENDING FILING OF WRIT OF CERTIORARI DATED AND FILED JULY 24, 2000

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

Docket Number 97-9181

JONATHAN TASINI, et al.,

Plaintiffs-Appellants,

vs

THE NEW YORK TIMES, et al.,

Defendants-Appellees.

MOTION INFORMATION FORM

Motion for stay of mandate pending
filing of writ of certiorari

MOTION BY:
(Name, address and tel. no. of law firm and of attorney in charge of case)

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212-297-3385

Has consent of opposing counsel:

A. been sought? ☐ Yes ☒ No
B. been obtained? ☐ Yes ☒ No

Has service been effected? ☒ Yes ☐ No

Is oral argument desired? ☐ Yes ☒ No

* * *

Brief statement of the relief requested:

Thirty day extension of the stay of this Court's mandate pending filing of petition for writ of certiorari with the U.S. Supreme Court.

Appendix G

s/ Bruce P. Keller
By: *(Signature of Attorney)*
Signed name must be printed beneath.
Bruce P. Keller

The New York Times Co., Inc., Newsday, Inc.
Time Inc., Mead Data Central Corp. and
University Microfilm
Appearing for: *(Name of Party)*

Appellee or Respondent: ☐ Plaintiff ☒ Defendant

Date: June 30, 2000

– ORDER –

BEFORE: Hon. Ralph K. Winter, Chief Judge, Hon. Roger J. Miner, Hon. Rosemary S. Pooler, Circuit Judges

IT IS HEREBY ORDERED that the motion be GRANTED.

FOR THE COURT:
ROSEANN B. MacKECHNIE,
Clerk
By:

s/ Beth J. Meador
Beth J. Meador,
Administrative Attorney

APPENDIX H — SELECTED PROVISIONS OF THE COPYRIGHT ACT OF 1976

17 U.S.C. § 201(c)

§ 201. Ownership of copyright

* * *

(c) Contributions to collective works. Copyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole, and vests initially in the author of the contribution. In the absence of an express transfer of the copyright or of any rights under it, the owner of copyright in the collective work is presumed to have acquired only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series.

* * *

17 U.S.C. § 101

§ 101. Definitions

Except as otherwise provided in this title, as used in this title, the following terms and their variant forms mean the following:

> An "anonymous work" is a work on the copies or phonorecords of which no natural person is identified as author.

Appendix H

An "architectural work" is the design of a building as embodied in any tangible medium of expression, including a building, architectural plans, or drawings. The work includes the overall form as well as the arrangement and composition of spaces and elements in the design, but does not include individual standard features.

"Audiovisual works" are works that consist of a series of related images which are intrinsically intended to be shown by the use of machines or devices such as projectors, viewers, or electronic equipment, together with accompanying sounds, if any, regardless of the nature of the material objects, such as films or tapes, in which the works are embodied.

The "Berne Convention" is the Convention for the Protection of Literary and Artistic Works, signed at Berne, Switzerland, on September 9, 1886, and all acts, protocols, and revisions thereto.

The "best edition" of a work is the edition, published in the United States at any time before the date of deposit, that the Library of Congress determines to be most suitable for its purposes.

A person's "children" are that person's immediate offspring, whether legitimate or not, and any children legally adopted by that person.

A "collective work" is a work, such as a periodical issue, anthology, or encyclopedia, in which a number

of contributions, constituting separate and independent works in themselves, are assembled into a collective whole.

A "compilation" is a work formed by the collection and assembling of preexisting materials or of data that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship. The term "compilation" includes collective works.

"Copies" are material objects, other than phonorecords, in which a work is fixed by any method now known or later developed, and from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. The term "copies" includes the material object, other than a phonorecord, in which the work is first fixed.

"Copyright owner", with respect to any one of the exclusive rights comprised in a copyright, refers to the owner of that particular right.

A work is "created" when it is fixed in a copy or phonorecord for the first time; where a work is prepared over a period of time, the portion of it that has been fixed at any particular time constitutes the work as of that time, and where the work has been prepared in different versions, each version constitutes a separate work.

Appendix H

A "derivative work" is a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship, is a "derivative work".

A "device", "machine", or "process" is one now known or later developed.

A "digital transmission" is a transmission in whole or in part in a digital or other non-analog format.

To "display" a work means to show a copy of it, either directly or by means of a film, slide, television image, or any other device or process or, in the case of a motion picture or other audiovisual work, to show individual images nonsequentially.

An "establishment" is a store, shop, or any similar place of business open to the general public for the primary purpose of selling goods or services in which the majority of the gross square feet of space that is nonresidential is used for that purpose, and in which nondramatic musical works are performed publicly.

Appendix H

A "food service or drinking establishment" is a restaurant, inn, bar, tavern, or any other similar place of business in which the public or patrons assemble for the primary purpose of being served food or drink, in which the majority of the gross square feet of space that is nonresidential is used for that purpose, and in which nondramatic musical works are performed publicly.

The term "financial gain" includes receipt, or expectation of receipt, of anything of value, including the receipt of other copyrighted works.

A work is "fixed" in a tangible medium of expression when its embodiment in a copy or phonorecord, by or under the authority of the author, is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration. A work consisting of sounds, images, or both, that are being transmitted, is "fixed" for purposes of this title if a fixation of the work is being made simultaneously with its transmission.

The "Geneva Phonograms Convention" is the Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms, concluded at Geneva, Switzerland, on October 29, 1971.

The "gross square feet of space" of an establishment means the entire interior space of that establishment,

and any adjoining outdoor space used to serve patrons, whether on a seasonal basis or otherwise.

The terms "including" and "such as" are illustrative and not limitative.

An "international agreement" is —

(1) the Universal Copyright Convention;

(2) the Geneva Phonograms Convention;

(3) the Berne Convention;

(4) the WTO Agreement;

(5) the WIPO Copyright Treaty;

(6) the WIPO Performances and Phonograms Treaty; and

(7) any other copyright treaty to which the United States is a party.

A "joint work" is a work prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole.

"Literary works" are works, other than audiovisual works, expressed in words, numbers, or other verbal or numerical symbols or indicia, regardless of the

nature of the material objects, such as books, periodicals, manuscripts, phonorecords, film, tapes, disks, or cards, in which they are embodied.

"Motion pictures" are audiovisual works consisting of a series of related images which, when shown in succession, impart an impression of motion, together with accompanying sounds, if any.

To "perform" a work means to recite, render, play, dance, or act it, either directly or by means of any device or process or, in the case of a motion picture or other audiovisual work, to show its images in any sequence or to make the sounds accompanying it audible.

A "performing rights society" is an association, corporation, or other entity that licenses the public performance of nondramatic musical works on behalf of copyright owners of such works, such as the American Society of Composers, Authors and Publishers (ASCAP), Broadcast Music, Inc. (BMI), and SESAC, Inc.

"Phonorecords" are material objects in which sounds, other than those accompanying a motion picture or other audiovisual work, are fixed by any method now known or later developed, and from which the sounds can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. The term "phonorecords" includes the material object in which the sounds are first fixed.

Appendix H

"Pictorial, graphic, and sculptural works" include two-dimensional and three-dimensional works of fine, graphic, and applied art, photographs, prints and art reproductions, maps, globes, charts, diagrams, models, and technical drawings, including architectural plans. Such works shall include works of artistic craftsmanship insofar as their form but not their mechanical or utilitarian aspects are concerned; the design of a useful article, as defined in this section, shall be considered a pictorial, graphic, or sculptural work only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.

For purposes of section 513, a "proprietor" is an individual, corporation, partnership, or other entity, as the case may be, that owns an establishment or a food service or drinking establishment, except that no owner or operator of a radio or television station licensed by the Federal Communications Commission, cable system or satellite carrier, cable or satellite carrier service or programmer, provider of online services or network access or the operator of facilities therefor, telecommunications company, or any other such audio or audiovisual service or programmer now known or as may be developed in the future, commercial subscription music service, or owner or operator of any other transmission service, shall under any circumstances be deemed to be a proprietor.

Appendix H

A "pseudonymous work" is a work on the copies or phonorecords of which the author is identified under a fictitious name.

"Publication" is the distribution of copies or phonorecords of a work to the public by sale or other transfer of ownership, or by rental, lease, or lending. The offering to distribute copies or phonorecords to a group of persons for purposes of further distribution, public performance, or public display, constitutes publication. A public performance or display of a work does not of itself constitute publication.

"Registration", for purposes of sections 205(c)(2), 405, 406, 410(d), 411, 412, and 506(e), means a registration of a claim in the original or the renewed and extended term of copyright.

To perform or display a work "publicly" means —

(1) to perform or display it at a place open to the public or at any place where a substantial number of persons outside of a normal circle of a family and its social acquaintances is gathered; or

(2) to transmit or otherwise communicate a performance or display of the work to a place specified by clause (1) or to the public, by means of any device or process, whether the members of the public capable

of receiving the performance or display receive it in the same place or in separate places and at the same time or at different times.

"Sound recordings" are works that result from the fixation of a series of musical, spoken, or other sounds, but not including the sounds accompanying a motion picture or other audiovisual work, regardless of the nature of the material objects, such as disks, tapes, or other phonorecords, in which they are embodied.

"State" includes the District of Columbia and the Commonwealth of Puerto Rico, and any territories to which this title is made applicable by an Act of Congress.

A "transfer of copyright ownership" is an assignment, mortgage, exclusive license, or any other conveyance, alienation, or hypothecation of a copyright or of any of the exclusive rights comprised in a copyright, whether or not it is limited in time or place of effect, but not including a nonexclusive license.

A "transmission program" is a body of material that, as an aggregate, has been produced for the sole purpose of transmission to the public in sequence and as a unit.

To "transmit" a performance or display is to communicate it by any device or process whereby

images or sounds are received beyond the place from which they are sent.

A "treaty party" is a country or intergovernmental organization other than the United States that is a party to an international agreement.

The "United States", when used in a geographical sense, comprises the several States, the District of Columbia and the Commonwealth of Puerto Rico, and the organized territories under the jurisdiction of the United States Government.

For purposes of section 411, a work is a "United States work" only if —

(1) in the case of a published work, the work is first published —

(A) in the United States;

(B) simultaneously in the United States and another treaty party or parties, whose law grants a term of copyright protection that is the same as or longer than the term provided in the United States;

(C) simultaneously in the United States and a foreign nation that is not a treaty party; or

(D) in a foreign nation that is not a treaty party, and all of the authors of the work are nationals, domiciliaries, or habitual residents of, or in the case of an audiovisual work legal entities with headquarters in, the United States;

(2) in the case of an unpublished work, all the authors of the work are nationals, domiciliaries, or habitual residents of the United States, or, in the case of an unpublished audiovisual work, all the authors are legal entities with headquarters in, the United States; or

(3) in the case of a pictorial, graphic, or sculptural work incorporated in a building or structure, the building or structure is located in the United States.

A "useful article" is an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information. An article that is normally a part of a useful article is considered a "useful article".

The author's "widow" or "widower" is the author's surviving spouse under the law of the author's domicile at the time of his or her death, whether or not the spouse has later remarried.

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